



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

August 21, 2014

10:00 a.m.

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

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

27788 Hidden Trail Road
Laguna Hills, CA 92653

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the August 7, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Daughters of Charity Health System, Town of Los Altos Hills, County of Santa Clara; up to \$15 million in tax-exempt revenue bonds. (Staff: Scott Carper)
 - b. Community Center Project, City of Commerce, County of Los Angeles; up to \$14 million in lease revenue refunding bonds. (Staff: Caitlin Lanctot)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at __: __ __m,
Signed _____ . Please fax signed page to (925) 933-8457.

VI. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP), Assessment District 14-02 City of Rocklin, County of Placer, (Hearing to be held at 10am or shortly thereafter): (Staff: Scott Carper)

- a. Open Assessment District Public Hearing
- b. Close the Public Hearing for Rocklin

VII. Public Comment.

VIII. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:
 - a. Inducement of Cordova Meadows Investors, LP (Cordova Meadows Apartments), City of Rancho Cordova, County of Sacramento; issue up to \$13 million in multi-family housing revenue bonds.
 - b. Inducement of Central California Housing Corporation (CCHC) (Kearney Cooley Plaza Apartments), City of Fresno, County of Fresno; issue up to \$11 million in multi-family housing revenue bonds.
 - c. Inducement of Central California Housing Corporation (CCHC) (Village Park Apartments), City of Brentwood, County of Contra Costa; issue up to \$11 million in multi-family housing revenue bonds.
 - d. Inducement of Aszkenazy Development, Inc. (Penny's Apartments), City of San Fernando, County of Los Angeles; issue up to \$12 million in multi-family housing revenue bonds.
 - e. Approval of the City of Firebaugh as Program Participant.

Thursday, August 21, 2014

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

Item II

Consideration of the Minutes of the August 7, 2014 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

August 7, 2014

MINUTES

Commission chair Larry Combs called the meeting to order at 10:03 am.

I. Roll Call

Commission members present: Larry Combs and Terry Schutten. Irwin Bornstein, Alternate Commissioner Ron Holly, representing Tim Snellings, and Alternate Commissioner Brian Moura, representing Kevin O'Rourke participated by conference telephone.

CSCDA Executive Director, Catherine Bando participated by conference telephone.

Others present included: Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Scott Carper, HB Capital; Laura Labanieh Campbell, CSAC Finance Corporation; and Mark Paxson, State Treasurer's Office. Caitlin Lanctot and Mike LaPierre, HB Capital; Greg Stepanic, Richards Watson & Gershon; and Eran Pham and John Myers, Orrick Herrington & Sutcliffe participated by conference telephone.

II. Approval of minutes—July 17, 2014

The commission approved the minutes for the regular and special meetings held July 17, 2014.

Motion to approve by Schutten; second by Holly; unanimously approved by roll-call vote.

III. Staff updates

Catherine Bando updated the commission regarding the status of the RFP for Program Administrator. Proposals were received on June 24, with interviews held on July 31. Due to scheduling conflicts, the ad hoc committee will not meet again to deliberate on the interview process until August 26. The committee expects to make a recommendation to the commission in October.

IV. Approval of consent calendar

1. Induce the following project:
 - a. Gilroy Pacific Associates, LP (San Ysidro Court), City of Gilroy, County of Santa Clara; issue up to \$95 million in multi-family housing revenue bonds.
2. Approve the following bills for payment:

- a. Wells Fargo Corporate Trust Services invoice #1086221.
- b. Wells Fargo Corporate Trust Services invoice #1085040.
- c. Wells Fargo Corporate Trust Services invoice #1095254.

Motion to approve by Schutten; second by Bornstein; unanimously approved by roll-call vote.

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

- a. Loma Linda University Medical Center, City of Murrieta, County of Riverside; up to \$210 million in taxable revenue bonds.

Loma Linda University Medical Center (LLUMC) is a California religious nonprofit corporation and operates a healthcare delivery system with over 1,000 licensed beds serving the Southern California counties of San Bernardino, Riverside, Inyo and Mono. LLUMC is part of the academic health sciences center affiliated with Loma Linda University.

LLUMC-Murrieta (the project) is a 106-bed acute care hospital approximately 40 miles south of Loma Linda, and is currently a non-obligated affiliate of LLUMC. The project began with a group of community investors and physicians who formed Physician's Hospital of Murrieta (PHM). Together, they purchased land, hired an architect, achieved OSHPD approval and then sought a partner, so LLUMC became a partner in the project. Construction commenced in December 2008 and was completed in February 2011. However, under the Affordable Care Act, practicing physicians are prohibited from having an ownership interest in hospitals. Accordingly, LLUMC agreed to buy out PHM's interest in the project.

The bonds will provide interim financing to complete the buy-out, which is expected to be refinanced later this fall.

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

VI. Approve the following resolutions for Assessment District 14-01 (County of Contra Costa) relating to the upcoming Statewide Community Infrastructure Program (SCIP) project.

- a. Amended and restated resolution of intention to finance the payment of public infrastructure improvements, including approval of proposed boundary map.

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

- b. Amended and restated resolution preliminarily approving the engineer's reports, setting the public hearing of protests and providing property owner ballots.

Motion to approve staff recommendation by Moura; second by Holly; unanimously approved by roll-call vote.

VII. Approve the following resolutions for separate Statewide Community Infrastructure Program (SCIP) Assessment Districts.

- a. Resolutions of intention to finance the payment of public infrastructure improvements and development impact fees, including approval of proposed boundary maps.

Motion to approve staff recommendation by Holly; second by Moura; unanimously approved by roll-call vote.

- b. Resolutions preliminarily approving engineer's reports, setting public hearing of protests and providing property owners ballots.

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

VIII. Approve amendment to the 2014 CSCDA Regular Meeting Calendar to move the regularly scheduled meeting for Thursday, September 18 to Tuesday, September 23.

Due to a conflict with CSAC's board of directors meeting, CSAC and CSAC Finance Corporation have requested that the commission meeting scheduled for Thursday, September 18 be rescheduled to Tuesday, September 23.

Motion to approve staff recommendation by Bornstein; second by Holly; unanimously approved by roll-call vote.

IX. Public comment.

None.

IX. Adjournment.

Commission chair Larry Combs adjourned the meeting at 10:21 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, August 21, at 10:00 a.m.
in CSAC's office at 1100 K Street, Sacramento, California.*

Item IV

Consent Calendar:

- a. Inducement of Cordova Meadows Investors, LP (Cordova Meadows Apartments), City of Rancho Cordova, County of Sacramento; issue up to \$13 million in multi-family housing revenue bonds.
- b. Inducement of Central California Housing Corporation (CCHC) (Kearney Cooley Plaza Apartments), City of Fresno, County of Fresno; issue up to \$11 million in multi-family housing revenue bonds.
- c. Inducement of Central California Housing Corporation (CCHC) (Village Park Apartments), City of Brentwood, County of Contra Costa; issue up to \$11 million in multi-family housing revenue bonds.
- d. Inducement of Aszkenazy Development, Inc. (Penny's Apartments), City of San Fernando, County of Los Angeles; issue up to \$12 million in multi-family housing revenue bonds.
- e. Approval of the City of Firebaugh as Program Participant.

Applicant Information

Primary Contact E-mail: pat@sabelhauslaw.com

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

TIN or EIN: **68-0182458**

Primary Contact

First Name: **Cyrus**

Last Name: **Youssefi**

Title: **President**

Address:

Street: **1006 4th Street**

Suite: **701**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-446-4040**

Ext:

Fax: **916-446-4044**

Email: **cfyinc@yahoo.com**

Borrower Description:

Same as developer ?

Name of Borrowing Entity: **Cordova Meadows Investors, LP**

Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: **TBD**

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

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

Primary Billing Contact

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

First Name: **Cyrus**

Last Name: **Youssefi**

Title: **President**

Address

Street: **1006 4th Street**

Suite: **701**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-446-4040**

Ext:

Fax: **916-446-4044**

Email: **cfyinc@yahoo.com**

Project Information

Project Information

Project Name: **Cordova Meadows Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Cordova Meadow Apartments**

Facility Bond Amount: \$11,429,373.00

Project Address:

Street: **2312 Sierra Madre Court**

City: **Rancho Cordova**

State: **California**

Zip: **95670**

County: **Sacramento**

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

Total Number of Units:

Market: **0**

Restricted: **183**

Total: **183**

Lot size: **Approximately 33 acres**

Amenities:

Rental office, on-site manager, community laundry, community room with kitchen, swimming pool, tot-lot, outdoor picnic/barbeque patio, open park area.

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

33 wood-framed and wood-sided buildings, 1-2 stories.

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Family

Senior

Is this an Assisted Living Facility?

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 50

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	51	10	661.00	1,288.00	627.00

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

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

7

1

10

Financing Information

Financing Information

Maturity 40 Years

Interest Rate Mode:

Fixed Variable

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

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

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

Construction Financing:

Credit Enhancement None
 Letter of Credit Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

Credit Enhancement None
 Letter of Credit Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

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Projected State Allocation Pool:

General Mixed Income Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$11,429,373.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$1,468,962.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
City Loan	<u>\$2,103,000.00</u>
Deferred Developer Fee	<u>\$2,001,075.00</u>
Deferred Operating Reserve	<u>\$343,803.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$17,346,213.00</u>

Uses:

Land Acquisition:	<u>\$1,200,000.00</u>
Building Acquisition:	<u>\$6,800,000.00</u>
Construction or Remodel:	<u>\$4,850,000.00</u>
Cost of Issuance:	<u>\$</u>
Capitalized Interest:	<u>\$240,000.00</u>
Reserves:	<u>\$343,803.00</u>
Other Uses (Describe):	
Contractor Overhead and Profit	<u>\$388,000.00</u>
Architect	<u>\$55,000.00</u>
Developer Fee	<u>\$2,001,075.00</u>
Soft Costs	<u>\$1,468,335.00</u>
	<u>\$</u>
Total Uses:	<u>\$17,346,213.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington, Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Attorney**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax: **415-773-5759**

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name: Law Offices of Patrick R. Sabelhaus

Primary Contact

First Name: **Patrick**

Last Name: **Sabelhaus**

Title: **Attorney**

Address:

Street: **1006 4th Street**

Suite: **6th Floor**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-444-0286**

Ext: **267**

Fax: **916-444-3408**

Email: **pat@sabelhauslaw.com**

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: nprice@ahdcinc.com

Name of Developer: **Central California Housing Corporation (CCHC)**

TIN or EIN: **33-1187796**

Primary Contact

First Name: **Laurie**

Last Name: **Doyle**

Title: **Vice President of Development**

Address:

Street: **3128 Willow Avenue**

Suite: **101**

City: **Clovis**

State: **California**

Zip: **93612**

Phone: **559-292-9212**

Ext: **112**

Fax: **559-292-3376**

Email: **LDoyle@ahdcinc.com**

Borrower Description:

Same as developer ?

Name of Borrowing Entity: **To Be Determined**

Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: anticipated to be by 10/1/14

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

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **7**

Primary Billing Contact

Organization: **Central California Housing Corporation (CCHC)**

First Name: **Laurie**

Last Name: **Doyle**

Title: **Vice President of Development**

Address

Street: **3128 Willow Avenue**

Suite: **101**

City: **Clovis**

State: **California**

Zip: **93612**

Phone: **559-292-9212**

Ext: **112**

Fax: **559-292-3376**

Email: **LDoyle@ahdcinc.com**

Project Information

Project Information

Project Name: **Kearney Cooley Plaza**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Kearney Cooley Plaza**

Facility Bond Amount: \$9,000,000.00

Project Address:

Street: **720 W. Hawes**

City: **Fresno**

State: **California**

Zip: **93706**

County: **Fresno**

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

Total Number of Units:

Market: **2**

Restricted: **148**

Total: **150**

Lot size: **11.39 acres**

Amenities:

3 Tot Lots, 3 Community Laundry Rooms, On Site Management Office, Ample Green Space, Resident Community Center

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

25 - wood frame, single level residential buildings

8 - wood frame, 2 story residential buildings

3 - wood frame laundry buildings

1 - wood frame, new community building

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Family

Senior

Is this an Assisted Living Facility?

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	6	513.00	925.00	
2.	1 Bedroom	60	58	615.00	925.00	
3.	2 Bedrooms	50	4	616.00	1,050.00	
4.	2 Bedrooms	60	43	739.00	1,050.00	

5.	3 Bedrooms	50	3	711.00	1,250.00	
6.	3 Bedrooms	60	26	853.00	1,250.00	
7.	4 Bedrooms	50	1	793.00	1,350.00	
8.	4 Bedrooms	60	3	952.00	1,350.00	
9.	5 Bedrooms	50	1	876.00	1,450.00	
10.	5 Bedrooms	60	3	1,051.00	1,450.00	

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

Government Information

Project/Facility is in:

Congressional District #:

16

State Senate District #:

16

State Assembly District #:

31

Financing Information

Financing Information

Maturity 15 Years

Interest Rate Mode:

Fixed Variable

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

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

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

Construction Financing:

Credit Enhancement None
 Letter of Credit Other (specify) :TBD

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Permanent Financing:

Credit Enhancement None
 Letter of Credit Other (specify) :TBD

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Expected Rating:

Unrated

Moody's: S&P: Fitch:

Projected State Allocation Pool:

General Mixed Income Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$5,238,584.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$7,841,784.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Seller Note	<u>\$8,000,000.00</u>
BBVA Foundation Grant	<u>\$600,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$21,680,368.00</u>

Uses:

Land Acquisition:	<u>\$1,200,000.00</u>
Building Acquisition:	<u>\$6,800,000.00</u>
Construction or Remodel:	<u>\$8,852,035.00</u>
Cost of Issuance:	<u>\$163,579.00</u>
Capitalized Interest:	<u>\$272,000.00</u>
Reserves:	<u>\$546,131.00</u>
Other Uses (Describe):	
Relocation Expense	<u>\$300,000.00</u>
Design-Architectural and Engineering	<u>\$100,000.00</u>
Other Financing Fees	<u>\$333,775.00</u>
Soft Costs	<u>\$612,848.00</u>
Developer Fee	<u>\$2,500,000.00</u>
Total Uses:	<u>\$21,680,368.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Attorney**

Address:

Street: **The Orrick Building, 405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax:

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name: Law Offices of Patrick Sabelhaus

Primary Contact

First Name: **Patrick**

Last Name: **Sabelhaus**

Title: **Attorney**

Address:

Street: **1006 Fourth Street, Sixth Floor**

Suite:

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-444-0286**

Ext:

Fax: **916-444-3408**

Email: **pat@sabelhauslaw.com**

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: eholland@ahdcinc.com

Name of Developer: **Central California Housing Corporation**
TIN or EIN: **33-1187796**

Primary Contact

First Name: **Laurie**
Title: **Vice President of Development**

Last Name: **Doyle**

Address:

Street: **3128 Willow Avenue**
City: **Clovis**
Phone: **559-292-9212**
Email: **LDoyle@ahdcinc.com**

Suite: **101**
State: **California**
Zip: **93612**
Ext: **112**
Fax: **559-292-3376**

Borrower Description:

Same as developer ?

Name of Borrowing Entity: **To Be Determined**

Type of Entity:

For-profit Corporation
 Partnership

Non-profit Corporation
 Other (specify)

Will you be applying for State Volume Cap?

Date Organized: Anticipated by Oct. 1

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

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **7**

Primary Billing Contact

Organization: **Central California Housing Corporation**
First Name: **Laurie**
Title: **Vice President of Development**

Last Name: **Doyle**

Address

Street: **3128 Willow Avenue**
City: **Clovis**
Phone: **559-292-9212**
Email: **LDoyle@ahdcinc.com**

Suite: **101**
State: **California**
Zip: **93612**
Ext: **112**
Fax: **559-292-3376**

Project Information

Project Information

Project Name: **Village Park Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Village Park Apartments**

Facility Bond Amount: **\$9,000,000.00**

Project Address:

Street: **100 Village Drive**

City: **Brentwood**

State: **California**

Zip: **94513**

County: **Contra Costa**

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

Total Number of Units:

Market: **1**

Restricted: **51**

Total: **52**

Lot size: **1.58 Acres**

Amenities:

Laundry room, covered parking, elevator

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

One Wood Frame 2 Story Building

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Family

Senior

Is this an Assisted Living Facility?

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 98

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	4	862.00	1,515.00	
2.	1 Bedroom	60	38	1,035.00	1,515.00	
3.	2 Bedrooms	50	1	1,035.00	1,775.00	
4.	2 Bedrooms	60	8	1,242.00	1,775.00	

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

Government Information

Project/Facility is in:

Congressional District #:

9

State Senate District #:

7

State Assembly District #:

11

Financing Information

Financing Information

Maturity 15 Years

Interest Rate Mode:

Fixed Variable

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

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

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

Construction Financing:

Credit Enhancement None
 Letter of Credit Other (specify) :TBD

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Permanent Financing:

Credit Enhancement None
 Letter of Credit Other (specify) :TBD

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Expected Rating:

Unrated

Moody's: S&P: Fitch:

Projected State Allocation Pool:

General Mixed Income Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$8,418,182.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$837,417.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Reserves	<u>\$316,424.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$9,572,023.00</u>

Uses:

Land Acquisition:	<u>\$780,000.00</u>
Building Acquisition:	<u>\$4,335,000.00</u>
Construction or Remodel:	<u>\$1,745,700.00</u>
Cost of Issuance:	<u>\$181,381.00</u>
Capitalized Interest:	<u>\$272,000.00</u>
Reserves:	<u>\$272,364.00</u>
Other Uses (Describe):	
Other Financing Fees	<u>\$228,775.00</u>
Soft Costs	<u>\$675,123.00</u>
Developer Fee	<u>\$1,081,680.00</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$9,572,023.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax:

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name: Law Offices of Patrick Sabelhaus

Primary Contact

First Name: **Patrick**

Last Name: **Sabelhaus**

Title: **Attorney**

Address:

Street: **1006 Fourth Street**

Suite: **Sixth Floor**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-444-0286**

Ext:

Fax:

Email: **pat@sabelhauslaw.com**

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: marnie@millerhousing.com

Name of Developer: **Aszkenazy Development, Inc.**

TIN or EIN: **481286926**

Primary Contact

First Name: **Adriana**

Last Name: **Gomez**

Title: **Asset Manager**

Address:

Street: **601 S. Brand Boulevard**

Suite: **3rd Floor**

City: **San Fernando**

State: **California**

Zip: **91340**

Phone: **818-270-9087**

Ext:

Fax: **818-270-9088**

Email: **adriana@aszkenazy.com**

Borrower Description:

Same as developer ?

Name of Borrowing Entity: **Aszkenazy Development, Inc.**

Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: 11/13/02

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **6**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **5**

Primary Billing Contact

Organization: **Aszkenazy Development, Inc.**

First Name: **Adriana**

Last Name: **Gomez**

Title: **Asset Manager**

Address

Street: **601 S. Brand Boulevard**

Suite: **3rd Floor**

City: **San Fernando**

State: **California**

Zip: **91340**

Phone: **818-270-9087**

Ext:

Fax: **818-270-9088**

Email: **adriana@aszkenazy.com**

Project Information

Project Information

Project Name: **Penny's Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Penny's Apartments**

Facility Bond Amount: \$10,300,000.00

Project Address:

Street: **1150 San Fernando Road**

City: **San Fernando**

State: **California**

Zip: **91340**

County: **Los Angeles**

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

Total Number of Units:

Market: **1**

Restricted: **100**

Total: **101**

Lot size: **35,000**

Amenities:

Clubhouse, Sustainable Garden, Laundry Facilities, & Roof Top Deck

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

Masonry Block, Steel and Frame, 4 Stories with underground parking, 1 building

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Family

Senior

Is this an Assisted Living Facility?

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

Name of Agency: **City of San Fernando**

First Name: **Fred**

Last Name: **Ramirez**

Title: **Community Development Director**

Phone:

Ext:

Fax:

Email: **framirez@sfcity.org**

Public Benefit Info:

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50**

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	11	742.00	1,100.00	358.00
2.	1 Bedroom	60	89	895.00	1,100.00	

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

Government Information

Project/Facility is in:

Congressional District #:

28

State Senate District #:

20

State Assembly District #:

39

Financing Information

Financing Information

Maturity 35 Years

Interest Rate Mode:

Fixed Variable

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

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

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

Construction Financing:

Credit Enhancement None
 Letter of Credit Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Citibank

Permanent Financing:

Credit Enhancement None
 Letter of Credit Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Citibank

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

General Mixed Income Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$10,300,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$6,211,583.00</u>
Developer Equity:	<u>\$860,000.00</u>
Other Funds (Describe):	
Deferred Developer Note	<u>\$865,601.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$18,237,184.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$10,452,782.00</u>
Cost of Issuance:	<u>\$360,310.00</u>
Capitalized Interest:	<u>\$330,417.00</u>
Reserves:	<u>\$482,893.00</u>
Other Uses (Describe):	
Soft Costs	<u>\$1,349,268.00</u>
Developer Fee	<u>\$1,761,514.00</u>
Construction Loan Paydown	<u>\$3,500,000.00</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$18,237,184.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Partner

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Citibank

Primary Contact

First Name: Sonia

Last Name: Rahm

Title: Vice President

Address:

Street: 444 South Flower Street

Suite: 29th Floor

City: Los Angeles

State: California

Zip: 90071

Phone: (213) 239-1726

Ext:

Fax:

Email: sonia.m.rahm@citi.com

Financial Advisor

Firm Name: Miller Housing Advisors

Primary Contact

First Name: Marnie

Last Name: Klein

Title: President

Address:

Street: 962 Ulster Way

Suite:

City: Denver

State: Colorado

Zip: 80230

Phone: 303-570-7070

Ext:

Fax:

Email: marnie@millerhousing.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item V

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

- a. Daughters of Charity Health System, Town of Los Altos Hills, County of Santa Clara; up to \$15 million in tax-exempt revenue bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	AUGUST 21, 2014
APPLICANT:	DAUGHTERS OF CHARITY HEALTH SYSTEM
AMOUNT:	UP TO \$15 MILLION OF TAX-EXEMPT NOTES
PURPOSE:	FINANCE THE WORKING CAPITAL NEEDS OF THE DAUGHTERS OF CHARITY HEALTH SYSTEM
PRIMARY ACTIVITY:	HEALTHCARE
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

Formed in June 2001, the Daughters of Charity Health System (“DCHS”) is a California nonprofit public benefit corporation which is the parent organization of a regional health system providing acute, long-term, community health, psychiatric, rehabilitation and residential care. Although DCHS was created in 2001, the Daughters of Charity of St. Vincent DePaul commenced their healthcare mission in California in 1856. In late 2001, the CSCDA issued \$450 million of its bonds to facilitate the acquisition of hospitals being acquired from Catholic Healthcare West. Upon its formation, DCHS became the fourth largest nonprofit healthcare system in California, with approximately 1,920 licensed acute care and skilled nursing beds. The six hospitals are:

- | | |
|-----------------------------------|---------------------------------|
| ▪ O’Connor Hospital | City of San Jose |
| ▪ Saint Louise Medical Center | City of Gilroy |
| ▪ St. Francis Medical Center | City of Lynwood |
| ▪ St. Vincent Medical Center | City of Los Angeles |
| ▪ Seton Medical Center | City of Daly City |
| ▪ Seton Medical Center Coastsides | Unincorporated San Mateo County |

In 2005, CSCDA issued \$364.655 million of its bonds to refinance a portion of the 2001 debt obligations and finance additional capital expenditures at the request of DCHS. At July 1, 2014, DCHS had \$284.475 million of long-term debt outstanding.

In January 2014, the DCHS Board of Directors announced its decision to solicit proposals from Catholic, public, non-profit and for-profit organizations to purchase DCHS hospitals individually or the health system in its entirety. The decision followed a lengthy process during which DCHS leadership carefully reviewed its options to preserve its hospitals and access to care. In April 2014, S&P placed a “B-” rating (down from “BBB+” in 2005 and “BBB-” in March 2014) on the CSCDA series 2005 fixed rate bonds on behalf of DCHS.

On July 17, 2014, the Commission approved the issuance by CSCDA of up to \$110 million in tax-exempt notes to provide working capital to DCHS until its hospitals have been sold. This \$110 million was issued on July 30, 2014.

To provide an additional contingency amount for working capital, DCHS has requested TEFRA approval from the Town of Los Altos Hills for an additional \$15 million in tax-exempt notes to provide working capital to DCHS. The Town of Los Altos Hills is scheduled to consider approval of the additional \$15 million during its City Council meeting on the evening of August 21, 2014.

At this time, DCHS is requesting the CSCDA to issue up to \$15.0 million in tax-exempt notes to provide additional working capital to DCHS until its hospitals have been sold. Approval of this additional \$15.0 million will be subject to approval of the financing by the Town of Los Altos Hills.

Proposed Financing:

DCHS expects to apply the proceeds of the tax-exempt notes approximately as follows:

<u>Sources:</u>	
Tax-Exempt Notes	<u>\$ 15,000,000.00</u>
Total Sources	\$ 15,000,000.00
<u>Uses:</u>	
Working Capital	<u>\$ 15,000,000.00</u>
Total Uses	\$ 15,000,000.00

Finance Structure / TEFRA Information:

The tax-exempt notes will mature in no more than one year and will be issued as fixed rate tax-exempt obligations (subject to certain adjustments if a specified debt service coverage ratio is not satisfied). The Notes will be purchased by Nuveen Investments, Inc. and/or other Nuveen funds in minimum denominations of \$100,000. Nuveen Investments is also the majority bondholder of the outstanding CSCDA bonds issued on behalf of DCHS in 2005. Transfers of bonds are limited to qualified institutional buyers. Moreover, in an investor letter, the purchasers will agree that neither the notes nor beneficial interests in the notes may be transferred to an entity other than an entity on whose behalf Nuveen Asset Management LLC has authority to make investment decisions.

Nuveen has requested that the notes be held in book-entry format. Since Nuveen is not a broker-dealer subject to MSRB Rule G-15, CSCDA issuance policies require physical delivery of the notes. This policy was designed to prevent fractional interests in the notes with principal amounts below \$100,000 being sold to investors. Since Nuveen has agreed that beneficial interests in the notes may only be sold to affiliated funds, Nuveen has requested a waiver of this policy.

DCHS expects to repay the 2014 CSCDA tax-exempt notes along with the existing 2005 CSCDA tax-exempt bonds from the sale proceeds of its hospital system. In the event the sale of DCHS hospitals extends beyond the term of the 2014 CSCDA tax-exempt notes, DCHS expects to repay the notes from monies received from other available moneys, including Medi-Cal funds received under the California Hospital Quality Assurance Fee Program.

A TEFRA hearing will be held by the Town of Los Altos Hills on August 21, 2014. Orrick, Herrington & Sutcliffe, serving as bond counsel, has concluded that the Town of Los Altos Hills is the appropriate political jurisdiction to approve the issuance of the CSCDA notes because the DCHS headquarters are located in the Town of Los Altos Hills.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Portland
- DCHS Fin. Advisor: Kaufman, Hall & Associates, Inc.
- T/E Note Purchaser: Nuveen Investments, Inc. (and related funds)

Financing Approval:

Based on the overall Project meeting the Benefit Guidelines for 501(c)(3) Healthcare Facilities detailed on Attachment 1 and CSCDA's issuance guidelines (with the exception noted above), the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Notes;
2. Approves the exception to the CSCDA Issuance Policies to allow the notes to be issued in book-entry form even though Nuveen is not subject to MSRB Rule G-15 provided Nuveen executes an acceptable investor letter to CSCDA as reviewed by the CSCDA Executive Director;
3. Approves all necessary actions and documents in connection with the financing; and
4. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment 1

CSCDA Benefit Guidelines for 501(c)(3) Healthcare Facilities

Economic Development:

- Daughters of Charity Health System (DCHS) employs more than 7,500 staff throughout its six medical and support facilities in the cities of San Jose, Gilroy, Daly City, Moss Beach, Redwood Shores, Los Altos Hills, Lynwood, and Los Angeles. DCHS does not employ physicians directly, instead DCHS contracts with private practice physicians and physicians groups for services at its facilities. Through this the model, DCHS has directly supported and increased the number of independent physicians and physicians groups in its service areas.
- DCHS, role as the one of the largest nonprofit healthcare providers in California, has established medical clinics, urgent care centers, pharmacies, rehabilitation centers and other medical related businesses to assist those in need of continued medical care. In addition, the majority of DCHS employees live, eat, and shop within the community in which they work.
- DCHS provides a professional setting for clinical, technical and vocational training despite the severe shortage of healthcare providers throughout California. For example, O'Connor Hospital is home to the Stanford-affiliated Family Medicine Residency Program that trains much needed family physicians who often choose to set up their practice in the area. The Neurotologists and Neurosurgeons at the House Clinic, renowned worldwide for cutting-edge practices, perform complex surgeries at St. Vincent Medical Center. They are among the best at training doctors to treat patients with hearing and balance problems as well as complex tumors both benign and malignant.

Public Benefit:

- The six DCHS facilities provide desperately needed services to some of the most at risk populations in their service areas.
- As the largest providers of inpatient services to Medi-Cal patients in San Mateo County, Seton Medical Center and Seton Coastside play an important role in addressing the healthcare needs of low-income and underserved individuals. Additionally, the St. Elizabeth Ann Seton New Life Center offers a perinatal program to low income women. And, Seton Coastside has the only 24-hour standby Emergency Department on the California coast from Daly City to Santa Cruz. Coastside Rotacare Clinic provides free medical care to the under insured and uninsured.
- Saint Louise Regional Hospital is the only acute care hospital in South Santa Clara County. It has the busiest emergency room in the South County and CALSTAR emergency helicopter transport on the premises.
- Serving San Jose, the second largest city in California, O'Connor Hospital sees the highest proportion of inpatients over the age of 65 of any facility in the area. O'Connor Hospital

provides needed services to those individuals located in the Public Health Department's numerous Senior Risk Zones the hospital covers.

- St. Francis Medical Center, the only comprehensive, non-profit healthcare institution in Southeast Los Angeles, is designated as a Disproportionate Share Hospital due to the high number of uninsured and underinsured patients seen. St. Francis operates one of LA County's largest and busiest private emergency/trauma centers, treating more than 70,000 patients annually.
- St. Vincent Medical Center provides medical services to a service area with more than 1.2 million individuals, with 37% of adults in the region uninsured.

Emergency Care:

- DCHS hospitals provide 24-hour emergency care to all individuals, regardless of their ability to pay. In Fiscal Year 2013, DCHS hospitals recorded more than 172,000 emergency /urgent care visits.

Community Outreach:

- DCHS supports a wide range of activities and resources that promote health and wellness and increase access to healthcare services for vulnerable populations. In collaboration with numerous community partners, DCHS brings healthcare assistance and education to its local communities through the Health Benefits Resource Centers, one stop shops in each of our hospitals that link underserved families to valuable government-sponsored health benefits and social services. In addition, some of the educational topics covered by a small sampling of DCHS hospital outreach programs include diabetes, obesity, breastfeeding, childbirth, smoking cessation and Alzheimer's education. DCHS hospitals also provide local communities with free clinics, classes, health screenings, immunizations, support groups and other services.

Research:

- DCHS works to advance medical knowledge and develop innovative new procedures through a variety of partnerships and programs. A prime example is the partnership with the Joint Replacement Institute ("JRI"), which relocated its facilities to St. Vincent Medical Center in Los Angeles. JRI, a world leader in hip and knee replacement surgery, is dedicated to researching the efficacy and safety of the latest joint replacement designs/techniques and conducts clinical trials of cutting edge technology. Another example is the O'Connor Hospital Wound Care Clinic. The Clinic is a national training site on the use of SNaP (Smart Negative Air Pressure) application and techniques for wounds.
- Medi-Cal and Medicare Acceptance - DCHS provides health care and helps subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare. For the fiscal year ended June 30, 2014, DCHS served nearly 182,000 persons on Medi-Cal and more than 244,000 persons on Medicare.

Attachments:

- Original application
- Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities

Organization

Name of Organization: **Daughters of Charity Health SYstem**

TIN or EIN:

Primary Contact

First Name: **Annie**

Last Name: **Melikian**

Title: **Chief Financial Officer**

Street: **26000 Altamont Road**

Suite:

City: **Los Altos Hills**

State: **California**

Zip: **94022**

Phone: **(626) 744-5842**

Ext:

Fax:

Email: **AnnieMelikian@dochs.org**

Primary Billing Contact

Organization: **Daughters of Charity Health SYstem**

First Name: **Annie**

Last Name: **Melikian**

Title: **Chief Financial Officer**

Address:

Street: **26000 Altamont Road**

Suite:

City: **Los Altos Hills**

State: **California**

Zip: **94022**

Phone: **(626) 744-5842**

Ext:

Fax:

Email: **AnnieMelikian@dochs.org**

Project Information

Project type: **Healthcare: Hospital**

Other:

Project Name: **Series 2014C Bonds**

Small Issue Public Benefit Project?

Facility #1

Facility Name: **Series 2014C Bonds**

Facility Bond Amount: **\$15,000,000.00**

Project Address:

Street: **26000 Altamont Road**

City: **Los Altos Hills**

State: **California**

Zip: **94022**

County: **Santa Clara**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 15,000,000.00
Taxable: \$
Total Principal Amount: \$ 15,000,000.00
Maturity 10Years

Interest Rate Mode:

Fixed Variable

Denominations: \$25,000

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

Financing:

Credit Enhancement Letter of Credit
 None
 Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe, LLP

Primary Contact

First Name: John

Last Name: Myers

Title: Partner

Address:

Street: 400 Capital Mall

Suite: 3000

City: Sacramento

State: California

Zip: 95814

Phone: 916-329-7903

Ext:

Fax:

Email: jmyers@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name: Steve

Last Name: Hollis

Title: Senior Vice President

Address:

Street: 5202 Old Orchard Rd

Suite: N700

City: Skokie

State: Illinois

Zip: 60077

Phone: 847-441-8780

Ext:

Fax:

Email: shollis@kaufmanhall.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities

In 1991, CSCDA adopted economic development benefit guidelines based upon the finding that the nonprofit facility promotes economic development within the jurisdiction of a CSCDA Program Participant. Effective March 1, 2006, the CSCDA Commission adopted health care benefit guidelines to be considered in conjunction with the CSCDA economic development guidelines with respect to proposed bond issues for 501(c)(3) nonprofit healthcare facilities.

Economic Development Benefit*

A significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life of local Program Participant residents;

The facility being a significant factor in the economic development of an area, promoting residential, commercial and industrial development and increasing the tax base; or

The facility providing the educational background and vocational training which is a necessary element to the development and retention of a capable work force.

Health Care Benefit*

Health care resource – consideration given to quality of life for Program Participant and other area residents for access to quality medical care in general;

Emergency care – consideration given to quality of life for Program Participant and other area residents; whether the health care facility provides 24-hour emergency care to all individuals, regardless of ability to pay;

Facility upgrades and increased patient capacity - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for new, improved or expanded medical facilities;

SB1953 compliance - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for medical facilities being rehabilitated or constructed in compliance with SB1953 and that provide a safer acute health care environment;

Public health facility assistance - consideration given to quality of life for Program Participant owned or operated public health facilities for healthcare applicants that identify programs, contracts or practices where facilities link with or otherwise assist or ease the burden on area public health facilities;

Community outreach – consideration given to quality of life for Program Participant residents from efforts of health facility physicians and staff (such as free health screenings, immunizations for the elderly and disadvantaged, toy drives, holiday events, etc.);

Attachment 2

Research – consideration given to medical advancements by way of research that benefit Program Participant residents and others;

Medi-Cal and Medicare acceptance - consideration given to quality of life for Program Participant residents for health care providers that serve Medi-Cal and / or Medicare patients; special consideration should be given to disproportionate share hospitals (a government measure for how much care hospitals provide to designated low-income patients);

Non-reimbursed community benefit costs for the poor and the broader community - consideration given to quality of life for Program Participant and other area residents that include:

- a. Charity care and uncompensated care
- b. Unpaid cost of Medi-Cal services
- c. Unpaid cost of Medicare services
- d. Education
- e. Research
- f. Low or negative margin services
- g. Nonbilled services
- h. Cash and in-kind donations
- i. Other benefits to the poor or broader community, as defined by the applicant

* Although any one of these listed benefits may demonstrate a clear public benefit, the absence of other benefits does not mean that there is a lack of public benefit associated with a project. There may be other benefits not listed which can also be considered to demonstrate public benefit.

Effective March 1, 2006.

Item V

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

- b. Community Center Project, City of Commerce, County of Los Angeles; up to \$14 million in lease revenue refunding bonds. (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE:	AUGUST 21, 2014
APPLICANT:	CITY OF COMMERCE, CA
AMOUNT:	UP TO \$14 MILLION LEASE REVENUE REFUNDING BONDS
PURPOSE:	REFINANCING OF CITY OF COMMERCE JOINT POWERS FINANCING AUTHORITY LEASE REVENUE BONDS SERIES 2004

Background:

The City of Commerce, CA (the "City") issued \$15,040,000 in Lease Revenue Bonds (the "Series 2004 Bonds") to finance the construction, renovation, furnishing and equipping of the City Hall annex located at 5600 Harbour Street (the "Property") and to refinance the Series 1997A bonds. The City is requesting CSCDA to issue Lease Revenue Refunding Bonds (the "Bonds") to refinance the Series 2004 Bonds (the "Project"). The Authority will enter into a Site Lease where the City will lease the Property to the Authority and then the City and Authority will enter into a Facility Lease to allow the City to sublease the site from the Authority.

The City will be meeting to approve the financing on September 2, 2014.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- Financial Advisor: Urban Futures, Inc.
- Underwriter: Stifel, Nicolaus & Co.
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Trustee: Wilmington Trust Company

Financing Structure:

The Bonds will be secured by the base rental payments made by the City under the Facility Lease Agreement.

The refinancing will result in significant public benefits including greater efficiencies, economies of scale, and decreased interest rates for the City. The current bonds to be refunded have an average remaining coupon rate of 4.85%; the refunding is expected to be sold at rates below 4%. The anticipated annual debt service reduction is \$70,000 per year (or \$100,000 if a reserve fund surety is obtained).

Estimated Sources and Uses:

Sources of Funds:	
Bond Par Amount	\$11,330,000
Existing Debt Service Reserve Fund	<u>\$931,782</u>
	\$12,261,782
Uses of Funds:	
Refunding of Prior Bonds	\$11,755,000
Costs of Issuance (incl Insurance)	<u>\$506,782</u>
	\$12,261,782

Financing Approval:

Based on the overall public benefit derived from the Proposed Financing for the City, the Authority shall consider approval of the Resolution as submitted to the Authority, which:

1. Approves the issuance of the Bonds;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Authority's Board of Directors or Authorized Signatory to sign all necessary documents.

Organizations

Name of Organization:City of Commerce

TIN or EIN:96-6006477

Primary Contact

First Name: **Vilko**

Last Name: **Domic**

Title: **Director of Finance**

Address:

Street: **2535 Commerce Way**

Suite:

City: **Commerce**

State: **California**

Zip: **90040**

Phone: **3237224805**

Ext:

Fax:

Email: **Director.Finance@ci.commerce.ca.us**

Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify) **City of Commerce**

Date Organized: **1/28/1960**

Primary Billing Contact

Organization: **City of Commerce**

First Name: **Vilko**

Last Name: **Domic**

Title: **Director of Finance**

Address:

Street: **2535 Commerce Way**

Suite:

City: **Commerce**

State: **California**

Zip: **90040**

Phone: **3237224805**

Ext:

Fax:

Email: **Director.Finance@ci.commerce.ca.us**

Project Information

Project Name: **Lease Revenue Refunding Bonds, Series 2014 (Refunding of 2004 Lease Revenue Bonds)**

Facility #1

Facility Name: **Community Center**

Facility Bond Amount: **\$11,750,000.00**

Project Address:

Street: **5600 Harbor Street**

City: **Commerce**

State: **California**

Zip: **90040**

County: **Los Angeles**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

40

State Senate District #:

30

State Assembly District #:

58

Financing Information

Tax Exempt: \$ 11,750,000.00
Taxable: \$
Total Principal Amount: \$ 11,750,000.00
Proposed Closing date: 10/01/2014 Maturity 20 Years

Interest Rate Mode:

Fixed Variable

Denominations: \$5,000

Type of Offering:

Public Offering Private Placement

Financing:

Credit Enhancement
 None Letter of Credit
 Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe

Primary Contact

First Name: **Bill**

Last Name: **Bothwell**

Title: **Partner**

Address:

Street: **777 South Figueroa Street**

Suite: **3200**

City: **Los Angeles**

State: **California**

Zip: **90017**

Phone: **(213) 612-2403**

Ext:

Fax:

Email: **wbothwell@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Stifel, Nicolaus & Co.

Primary Contact

First Name: **John**

Last Name: **Solarczyk**

Title: **Managing Director**

Address:

Street: **515 S. Figueroa Street**

Suite: **1800**

City: **Los Angeles**

State: **California**

Zip: **90071**

Phone: **213-443-5204**

Ext:

Fax:

Email: **jsolarczyk@stifel.com**

Financial Advisor

Firm Name: Urban Futures, Inc.

Primary Contact

First Name: **Michael**

Last Name: **Busch**

Title: **CEO**

Address:

Street: **3111 N. Tustin Street**

Suite:

City: **Orange**

State: **California**

Zip: **92865**

Phone: **714-283-9334**

Ext:

Fax:

Email: **michaelb@urbanfuturesinc.com**

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item VI

Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP), Assessment District 14-02 City of Rocklin, County of Placer, (Hearing to be held at 10am or shortly thereafter): (Staff: Scott Carper)

- a. Open Assessment District Public Hearing
- b. Close the Public Hearing for Rocklin