



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



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

**August 7, 2014**

**10:00 a.m.**

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

County of Yuba  
915 8<sup>th</sup> Street, Suite 103  
Marysville, CA 95901

27788 Hidden Trail Road  
Laguna Hills, CA 92653

County of Monterey  
168 West Alisal Street  
Salinas, CA 93901

709 Portwalk Place  
Redwood City, CA 94065

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the July 17, 2014 Regular & Special 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. Loma Linda University Medical Center, City of Murrieta, County of Riverside; up to \$210 million in taxable revenue bonds. (Staff: Scott Carper)

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. Consider the following resolutions for Assessment District 14-01 (County of Contra Costa) related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)
  - a. Amended and restated resolution of intention to finance the payment of public infrastructure improvements, including approval of proposed boundary map.
  - b. Amended and restated resolution preliminary approving the engineer's reports, setting the public hearing of protests and providing property owner ballots.
- VII. Consider the following resolutions for separate Statewide Community Infrastructure Program (SCIP) Assessment Districts: (Staff: Scott Carper)
  - a. Resolutions of intention to finance the payment of public infrastructure improvements and development impact fees, including approval of proposed boundary maps;
  - b. Resolutions preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots.
- VIII. Consideration of amending the 2014 CSCDA Regular Meeting Calendar to move the regularly scheduled meeting of Thursday, September 18, 2014, to Tuesday, September 23, 2014. (Scott Carper)
- IX. Public Comment.
- X. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
CONSENT CALENDAR**

1. Consent Calendar:

- a. Inducement of 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.
- b. Wells Fargo Corporate Trust Services Invoice #1086221 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2010A.
- c. Wells Fargo Corporate Trust Services Invoice #1085040 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2007A.
- d. Wells Fargo Corporate Trust Services Invoice #1095254 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2008A.

Thursday, August 7, 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 July 17, 2014 Regular & Special Meeting.

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

**July 17, 2014**

**California State Association of Counties  
1100 K Street, 1<sup>st</sup> Floor  
Sacramento, California**

Commission Chair Larry Combs called the meeting to order at 10:00am.

**I. Call The Roll.**

Commission members present: Larry Combs and Dan Harrison. Irwin Bornstein, Dan Mierzwa, Tim Snellings, alternate Commissioner Ron Holly, representing Terry Schutten, and alternate commissioner Brian Moura, representing Kevin O'Rourke also participated by conference telephone. CSCDA Executive Director Catherine Bando was also present.

Others present included: Scott Carper and Caitlin Lanctot, HB Capital; Laura Labanieh Campbell and Nancy Parrish, CSAC Finance Corporation; Jean Jordan, California State Association of Counties; Cliff Staton, Renewable Funding; Roger Davis, John Myers, and Mike Weed, Orrick; Steve Hollis and Nora Kelly, Kaufman Hall; Annie Melikian, Daughters of Charity Health System; and Mark Paxson, State Treasurer's Office. Greg Stepanicich, Richards Watson & Gershon; Matt Cate, California State Association of Counties; Chris Lynch, Jones Hall; and Jon Penkower, Bridge Strategic Partners, participated by conference telephone.

**II. Consideration of the Minutes of the June 12, 2014 Special Meeting and the June 26, 2014 Regular Meeting.**

The commission approved the minutes for the special meeting held June 12, 2014 and the regular meeting held June 26, 2014.

Motion by Harrison; Second by Snellings; unanimously approved by roll-call vote.

**III. Staff Updates.**

Catherine Bando updated the commission that Item VIII would be pulled from the meeting agenda; marketing materials are being coordinated for the League of California Cities Conference, and she will be on vacation August 7-19.

Caitlin Lanctot updated the commission that Item 1a was being pulled from the consent calendar.

**IV. Consideration of the Consent Calendar.**

The commission approved following items of the consent calendar:

- b. Inducement of Callen Street Investors, LP (Callen Street Apartments), City of Vacaville, County of Solano; issue up to \$9 million in multi-family housing revenue bonds.
- c. Wells Fargo Corporate Trust Services Invoice #1086221 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2010A.
- d. Wells Fargo Corporate Trust Services Invoice #1085040 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2007A.
- e. Wells Fargo Corporate Trust Services Invoice #1089954 for \$6,200.00 for trustee fees related to CSCDA SCIP 2014A.
- f. Approval of the City of Lake Elsinore and Nevada City as Program Participants.
- g. Approve the annual Special Tax roll for California Statewide Communities Development Authority Community Facilities District No. 2012-01, Improvement Area 1 and 3 (Fancher Creek), City of Fresno, County of Fresno, State of California.
- h. Approve the annual Special Tax roll for the California Statewide Communities Development Authority Community Facilities District No. 2007-01 (Orinda Wilder Project), City of Orinda, County of Contra Costa, State of California.

Motion by Harrison; Second by Mierzwa; unanimously approved by roll-call vote.

**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 \$110 million in tax-exempt notes.

Motion to approve staff recommendation by Snellings; second by Harrison; unanimously approved by roll-call vote.

- b. The Salk Institute for Biological Studies, City of San Diego, County of San Diego; up to \$33 million in tax-exempt obligations.

Motion to approve staff recommendation by Harrison; second by Snellings; unanimously approved by roll-call vote.

- c. Riverside County Direct Levy Delinquency Financing, City of Lake Elsinore, County of Riverside; up to \$1 million in taxable revenue bonds.

Motion by Holly to approve staff recommendation pending confirmation from the County of Riverside that these were delinquencies had been opted out of the county teeter plan; second by Harrison; approved by roll-call vote with Commissioners Mierzwa and Snellings voting against the motion.

- d. Pavilion Park Senior I Housing Partners, LP (Pavilion Park Senior Apartments), City of Irvine, County of Orange; up to \$33 million in multi-family housing revenue notes.

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

- e. Jefferson Cunningham Community Partners, LP (Jefferson Townhomes and Cunningham Village Apartments), City of Los Angeles, County of Los Angeles; up to \$15 million in multi-family housing revenue bonds.

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

- f. Richmond Pacific Associates, LP (Harbour View Apartments), City of Richmond, County of Contra Costa; up to \$13 million in multi-family housing revenue notes.

Motion by Harrison to approve staff recommendation on condition that approval is finalized by the City of Richmond; second by Mierzwa; unanimously approved by roll-call vote.

## **VI. CaliforniaFIRST 2014 program expansion**

- a. Hold a Public Hearing on the program report for the proposed CaliforniaFIRST program covering the jurisdictions listed on Exhibit A of the Resolution of Intention No. 14R-18.

Commission Chair Larry Combs opened the public hearing at 10:38am. There was no public testimony and after consideration of the proposed resolutions the hearing was closed.

- b. Consideration of a Resolution confirming report relating to the financing of the installation of distributed generation renewable energy sources and energy efficiency and water efficiency improvements.

Motion to approve the Resolution by Snellings; second by Harrison; approved by roll-call vote with Commissioner Mierzwa voting against the motion.

- c. Consideration of a Resolution authorizing the issuance of limited obligation improvement bonds, approving and directing the execution of related documents and approving related documents and actions.

Motion to approve the Resolution by Snellings; second by Harrison; approved by roll-call vote with Commissioner Mierzwa voting against the motion.

- d. Consideration of a Resolution authorizing the issuance of revenue bonds, approving and directing the execution of related documents and approving related documents and actions.

Motion to approve the Resolution by Holly; second by Harrison; approved by roll-call vote with Commissioner Mierzwa voting against the motion.

- e. Consideration of a Resolution rendering approval, and explaining review process, under California Environmental Quality Act for the CaliforniaFIRST Program.

Motion to approve the Resolution by Snellings; second by Harrison; approved by roll-call vote with Commissioner Mierzwa voting against the motion.

## **VII. Preliminary consideration of whether CSCDA should proceed with the preparation of documentation for the acquisition of Entrada Apartments – Thomas Jefferson School of Law in the City of San Diego.**

The Commission approved the preparation of documents for further review and consideration by the Commission when documents in substantial final form are presented and approved the appointment of the BLX Group to serve as the CSCDA financial advisor / consultant.

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

**VIII. Consideration of proposed structure for the CSCDA'S acquisition of a student housing facility known as the Lorenzo in the City of Los Angeles.**

This item was removed from the agenda for consideration at a later meeting.

**IX. Consideration of the establishment of the CSCDA Open PACE Program and appointment of Renewable Funding, Renovate America and AllianceNRG as Program Administrators.**

The Commission adopted the resolution as presented establishing the CSCDA Open PACE Program, approving the appointment of the following Program Administrators and authorizing staff to work with these Program Administrators on policies and procedures for their respective programs and any necessary validation actions:

- a. Renewable Funding, LLC to manage the CaliforniaFIRST Commercial and Residential PACE Program as part of the CSCDA Open PACE Program, commencing immediately.
- b. Renovate America, Inc. to serve as Program Administrator of the HERO Residential PACE Program as part of the CSCDA Open PACE Program, provided no loans are to be originated prior to January 1, 2015.
- c. The AllianceNRG team to serve as Program Administrators of the Commercial AllianceNRG PACE Program as part of the CSCDA Open PACE Program, commencing immediately.
- d. The AllianceNRG team to serve as Program Administrators of the Residential AllianceNRG PACE Program as part of the CSCDA Open PACE Program, provided no loans are to be originated prior to January 1, 2015.

Motion by Moura; second by Holly; approved by roll-call vote with Commissioner Mierzwa voting against the motion.

**X. Consideration of the appointment of GPM Municipal Advisors, LLC as Municipal Advisor to the CSCDA and posting of certain language to the CSCDA public website regarding municipal advisor exemption requests. (Cathy Bando)**

The Commission approved GPM as its municipal advisor as defined by the SEC in its Final Rule and approved of posting language to the CSCDA public website with respect to the independent registered municipal advisor exemption to the SEC Municipal Advisor Rule.

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

**XI. Consideration of the CSCDA two year update in response to the Bureau of State Audits Report No. 2011-118.**



The Commission approved the response letter with two amendments including changing the language to indicate that CSCDA issued the RFP for Program Manager Services as opposed to the Executive Director issued and to update the selection date for the aforementioned RFP to September 11, 2014.

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

**XII. Consideration of amending the 2014 CSCDA Regular Meeting Calendar to move the regularly scheduled meeting of Thursday, September 4, 2014, to Thursday, September 11, 2014.**

Motion by Harrison to move the regularly scheduled meeting of September 4, 2014 to September 11, 2014; second by Mierzwa; unanimously approved by roll-call vote.

**XIII. Public Comment.**

There was no public comment.

**XIV. Adjourn.**

The meeting was adjourned at 11:14 am.

Submitted by Laura Labanieh Campbell, CSAC Finance Corporation staff.

*The next regular meeting of the commission is scheduled for  
**Thursday, August 7<sup>th</sup>, at 10:00 a.m.**  
in the League's office at 1400 K Street, Sacramento, California.*

**MINUTES OF THE  
SPECIAL MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**July 17, 2014**

**California State Association of Counties  
1100 K Street, 1<sup>st</sup> Floor  
Sacramento, California**

Commission Chair Larry Combs called the meeting to order at 11:15 am. **Call the Roll.**

**I. Call the Roll.**

Commission members present: Larry Combs and Dan Harrison. Irwin Bornstein, Dan Mierzwa, Tim Snellings, alternate Commissioner Ron Holly, representing Terry Schutten, and alternate commissioner Brian Moura, representing Kevin O'Rourke also participated by conference telephone. CSCDA Executive Director Catherine Bando was also present.

Others present included: Scott Carper and Caitlin Lanctot, HB Capital; Laura Labanieh Campbell and Nancy Parrish, CSAC Finance Corporation; Jean Jordan, California State Association of Counties; Cliff Staton, Renewable Funding; Roger Davis, John Myers, and Mike Weed, Orrick; and Mark Paxson, State Treasurer's Office. Greg Stepanicich, Richards Watson & Gershon; Matt Cate, California State Association of Counties; Chris Lynch, Jones Hall; and Jon Penkower, Bridge Strategic Partners, participated by conference telephone.

**II. Consideration of consent by CSCDA to Squire Patton Boggs representation of Western Alliance Bank and its affiliates in relation to the Hollenbeck Palms transaction.**

The Commission approved consent and awareness of the Squire Patton Boggs representation of Western Alliance Bank and its affiliates in relation to the Hollenbeck Palms transaction.

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

**III. Consideration of Bond Purchase Agreement to accompany each issuance of limited obligation bonds under the CaliforniaFIRST program.**

The Commission approved the resolution approving the Bond Purchase Agreement for CaliforniaFIRST Program Report.

Motion by Harrison; second by Snellings; approved by roll-call vote with Commissioner Mierzwa voting against the motion.

#### **IV. Public Comment.**

There was no public comment.

#### **V. Adjourn.**

The meeting was adjourned at 11:19 am.

Submitted by Laura Labanieh Campbell, CSAC Finance Corporation staff.

Item IV.

Consideration Consent Calendar

Consent Calendar:

- a. Inducement of 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.
- b. Wells Fargo Corporate Trust Services Invoice #1086221 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2010A.
- c. Wells Fargo Corporate Trust Services Invoice #1085040 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2007A.
- d. Wells Fargo Corporate Trust Services Invoice #1095254 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2008A.

## Applicant Information

Primary Contact E-mail: [tonyc@tpchousing.com](mailto:tonyc@tpchousing.com)

Name of Developer: **Pacific West Communities, Inc.**

TIN or EIN: **20-1657561**

### Primary Contact

First Name: **Caleb**

Last Name: **Roope**

Title: **President**

#### Address:

Street: **430 E State Street**

Suite: **100**

City: **Eagle**

State: **Idaho**

Zip: **83616**

Phone: **208-461-0022**

Ext: **3015**

Fax: **208-461-3267**

Email: **calebr@tpchousing.com**

#### Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Gilroy Pacific Associates, a California Limited Partnership**

#### 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: **Pacific West Communities, Inc.**

First Name: **Caleb**

Last Name: **Roope**

Title: **President**

#### Address

Street: **430 E State Street**

Suite: **100**

City: **Eagle**

State: **Idaho**

Zip: **83616**

Phone: **208-461-0022**

Ext: **3015**

Fax: **208-461-3267**

Email: **calebr@tpchousing.com**

## Project Information

### Project Information

Project Name: **San Ysidro Court**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **San Ysidro Court**

**Facility Bond Amount: \$90,000,000.00**

#### Project Address:

Street: **SW Corner of 10th and Alexander**

City: **Gilroy**

State: **California**

Zip: **95020**

County: **Santa Clara**

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

#### Total Number of Units:

Market:

Restricted: **261**

Total: **261**

Lot size: **6.90 Acres**

Amenities:

Courtyards, community rooms, laundry facilities

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

5 stories, one building connected with breezeways, framed construction

#### 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 Gilroy**

First Name: **Daniel**

Last Name: **Murillo**

Title: **Housing & Community Development Grant Director**

Phone: **408-846-0209**

Ext:

Fax:

Email: **Daniel.Murillo@ci.gilroy.ca.us**

#### 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	2	956.00	1,350.00	394.00
2.	1 Bedroom	60	16	1,147.00	1,350.00	203.00
3.	2 Bedrooms	50	11	1,147.00	1,550.00	403.00
4.	2 Bedrooms	60	99	1,377.00	1,550.00	173.00
5.	3 Bedrooms	50	10	1,325.00	1,800.00	475.00
6.	3 Bedrooms	60	91	1,590.00	1,800.00	210.00

7.	4 Bedrooms	50	4	1,478.00	2,000.00	522.00
8.	4 Bedrooms	60	28	1,774.00	2,000.00	226.00

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 #:
20	17	30

## 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)

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:

#### 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>\$90,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$6,775,345.00</u>
Developer Equity:	<u>\$2,500,000.00</u>
Other Funds (Describe):	
<b>Deferred Costs</b>	<u>\$1,940,003.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$101,215,348.00</u>

#### Uses:

Land Acquisition:	<u>\$5,510,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$76,526,109.00</u>
Cost of Issuance:	<u>\$200,000.00</u>
Capitalized Interest:	<u>\$1,500,000.00</u>
Reserves:	<u>\$1,940,003.00</u>
Other Uses (Describe):	
<b>Soft Costs (Impact Fees, Developer Overhead &amp; Profit, Etc.)</b>	<u>\$14,071,007.00</u>
<b>Financing Costs</b>	<u>\$1,468,229.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$101,215,348.00</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:** 415-773-5759

**Email:** jcooper@orrick.com

### Bank/Underwriter/Bond Purchaser

**Firm Name:** Citibank, N.A.

#### Primary Contact

**First Name:** Mike

**Last Name:** Hemmens

**Title:** Director

#### Address:

**Street:** 325 Hillcrest Drive

**Suite:** 160

**City:** Thousand Oaks

**State:** California

**Zip:** 91360

**Phone:** 805-557-0933

**Ext:**

**Fax:** 805-557-0924

**Email:** mike.hemmens@citi.com

### Financial Advisor

**Firm Name:** Miller Housing Advisors

#### Primary Contact

**First Name:** Marnie

**Last Name:** Klein

**Title:** Principal

#### Address:

**Street:** 7459 East Byers Avenue

**Suite:**

**City:** Denver

**State:** Colorado

**Zip:** 80230

**Phone:** 303-570-7070

**Ext:**

**Fax:** 303-733-3753

**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:**

# Late Fee Notice

Date Sent: 07/21/2014

Corporate Trust Services

**WELLS  
FARGO**

<b>Invoice Number</b> 1086221	<b>Original Billing Date</b> 06/17/2014	<b>Original Due Date</b> 07/17/2014	<b>Amount Due</b> <b>\$3,000.00</b> <i>Please mail or wire payment to:</i>
<div>California Statewide Communities Development Luis Castro c/o California Communities 2999 Oak Road Suite 710</div> <div>Walnut Creek, CA 94597</div>			<b>Mailing Address:</b> Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			<b>Wire Instructions:</b> ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
			<b>ACH Instructions:</b> ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
			<i>Please return this portion of the statement with your payment in the envelope provided:</i>
<i>Please retain this portion for your records</i>			

Account Number: 80437300  
SCIP Revenue Bonds 2010A

Administration Charges

For the Period 06/30/2014 through 06/29/2015

Trustee Fee

\$3,000.00

<b>Original Amount Due:</b>	<b>\$3,000.00</b>
<b>Payments Received:</b>	<b>\$0.00</b>
<b>Late Charge:</b>	<b>\$0.00</b>
<b>Total Amount Due:</b>	<b>\$3,000.00</b>

*Billings past due are subject to an 18% annual finance charge of the balance due.*

# Late Fee Notice

Date Sent: 07/21/2014

Corporate Trust Services

**WELLS  
FARGO**

<b>Invoice Number</b> 1085040	<b>Original Billing Date</b> 06/11/2014	<b>Original Due Date</b> 07/11/2014	<b>Amount Due</b> \$3,000.00 <i>Please mail or wire payment to:</i>
<b>CSCDA</b> Luis Castro 2999 Oak Road Suite 710  Walnut Creek, CA 94597			<b>Mailing Address:</b> Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			<b>Wire Instructions:</b> ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
			<b>ACH Instructions:</b> ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 22345300

SCIP Revenue Bonds 2007A

Administration Charges

For the Period 06/13/2014 through 06/12/2015

Trustee Fee

\$3,000.00

**Original Amount Due: \$3,000.00**

**Payments Received: \$0.00**

**Late Charge: \$0.00**

**Total Amount Due: \$3,000.00**

*Billings past due are subject to an 18% annual finance charge of the balance due.*

# Fee Invoice

## Corporate Trust Services

**WELLS  
FARGO**

<b>Invoice Number</b> 1095254	<b>Billing Date</b> 07/10/2014	<b>Due Date</b> 08/09/2014	<b>Amount Due</b> <b>\$3,000.00</b> <i>Please mail or wire payment to:</i>
<div>CSCDA Luis Castro 2999 Oak Road Suite 710  Walnut Creek, CA 94597</div>			<b>Mailing Address:</b> Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			<b>Wire Instructions:</b> ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBIUS6S Reference: Invoice #, Acct Name, Attn Name
			<b>ACH Instructions:</b> ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
			<i>Please return this portion of the statement with your payment in the envelope provided:</i>
<i>Please retain this portion for your records</i>			

Account Number: 22992600

SCIP Revenue Bonds 2008A

Administration Charges

For the Period 07/09/2014 through 07/08/2015

Trustee Fee

\$3,000.00

**Total Amount Due:****\$3,000.00***Billings past due are subject to an 18% annual finance charge of the balance due.*

Item V.

Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorizes 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. (Staff: Scott Carper)

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	AUGUST 7, 2014
<b>APPLICANT:</b>	LOMA LINDA UNIVERSITY MEDICAL CENTER
<b>AMOUNT:</b>	UP TO \$210,000,000 OF FEDERALLY TAXABLE REVENUE BONDS
<b>PURPOSE:</b>	PURCHASE OF CERTAIN REAL PROPERTY ASSETS
<b>PRIMARY ACTIVITY:</b>	HEALTHCARE
<b>LEGAL STRUCTURE:</b>	501(C)(3) CORPORATION

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### Background:

The Borrower is Loma Linda University Medical Center (“LLUMC”). LLUMC is a California nonprofit religious (Seventh Day Adventist) 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, an area approximating one quarter of the area of the State of California. The Borrower is part of an academic health sciences center affiliated with Loma Linda University, which provides an integrated delivery system for healthcare, teaching and research.

LLUMC is the only academic medical center and the only Children’s Hospital in the Inland Empire (4 million+ people over 27,000 square miles in the Riverside – San Bernardino – Ontario metro area). Exclusive services include Level 1 Trauma, Level 3 NICU, proton treatment and certain transplant services. LLUMC maintains leading market share in its primary service area and leading quality ratings in its primary and secondary service areas. LLUMC has the second-highest exposure to Medicaid (MediCal) nationally, at 35%.

LLUMC-Murrieta (“LLUMC-M” or “Murrieta”) is a 106-bed acute care hospital approximately 40 miles south of Loma Linda, and currently a non-obligated affiliate of LLUMC. Murrieta began with a group of community investors and physicians who formed Physicians Hospital of Murrieta (“PHM”). Together they purchased the land, hired an architect, achieved OSHPD approval and sought a partner. The project then became a joint venture between PHM and Loma Linda University Medical Center (“LLUMC”). Construction started in December 2008 and completed in February of 2011. Due to the Affordable Care Act, which forbids practicing physicians from ownership of hospitals, the investors in PHM were bought out of the joint venture by LLUMC. Murrieta was opened for public care on April 15, 2011. In February of 2012, the hospital became the first and only provider of interventional cardiology services in the Murrieta-Temecula area. In August of 2013 Murrieta became a licensed heart attack receiving center. Original / current financing for Murrieta was provided in the form of a lease by Health Care REIT (NYSE: HCN). LLUMC and Murrieta negotiated a purchase option with Health Care REIT in early 2014 and operating lease payments through June 30, 2014 reduce the purchase option price to approximately \$200 million.

The Bonds will serve as an interim financing solution in order to complete the Murrieta purchase option at a lower cost than the existing lease financing and provide time for a permanent

financing. Permanent financing is likely to be executed directly by LLUMC in fall 2014, bringing Murrieta into the LLUMC Obligated Group.

**Proposed Financing:**

LLUMC expects to apply the proceeds of the Bonds approximately as follows:

**Sources:**

Taxable Revenue Bonds	\$ 205,000,000.00
<b>Total Sources</b>	<b>\$ 205,000,000.00</b>

**Uses:**

Purchase of Real Property Assets	\$ 202,000,000.00
Closing and Issuance Costs	3,000,000.00
<b>Total Uses</b>	<b>\$ 205,000,000.00</b>

**Finance Structure / TEFRA Information:**

The Bonds will mature in no more than 366 days and will be issued in one Series. The Bonds will be purchased by Bank of America, N.A. Transfers of bonds are limited to qualified institutional buyers. The Bonds will be held in book-entry format. A TEFRA hearing was held and unanimously approved by the City of Murrieta on July 15, 2014.

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Purchaser: Bank of America, N.A.
- Purchaser's Counsel: Squire Patton Boggs, San Francisco

**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 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.



## **Attachment 1**

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

#### **Economic Development:**

- LLUMC operates a healthcare delivery system serving the southern California counties of San Bernardino, Riverside, Inyo and Mono, an area approximating one quarter of the area of the State of California. The Borrower is part of an academic health sciences center affiliated with Loma Linda University, which provides an integrated delivery system for healthcare, teaching and research.
- LLUMC is the only academic medical center and the only Children's Hospital in the Inland Empire (4 million+ people over 27,000 square miles in the Riverside – San Bernardino – Ontario metro area).
- On a consolidated basis, LLUMC operates six inpatient facilities with over 1,000 licensed beds and five outpatient facilities, accounting for over 45,300 admissions in 2013
- Exclusive services include Level 1 Trauma, Level 3 NICU, proton treatment and certain transplant services. LLUMC maintains leading market share in its primary service area and leading quality ratings in its primary and secondary service areas.

#### **Public Benefit:**

- With the second-highest exposure to Medicaid (MediCal) nationally at 35%, LLUMC plays an important role in addressing the healthcare needs of low-income and underserved individuals.
- Medi-Cal and Medicare Acceptance - LLUMC provides health care and helps subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare. In 2013, LLUMC served over 181,000 persons on Medi-Cal and more than 191,000 persons on Medicare on combined inpatient and outpatient basis.

#### **Emergency Care:**

- LLUMC provide 24-hour emergency care to all individuals, regardless of their ability to pay. In Fiscal Year 2013, LLUMC recorded more than 59,655 emergency visits and 30,090 urgent care visits.

## Community Outreach:

- \$95,407,460 Total Valuation of Community Benefit – 2012
  - Medi-Cal and Other Means Tested Government Programs: \$15,524,093
  - Charity Care \$25,289,879
  - Community Health Development \$5,654,768
  - Subsidize Health Services \$906,063
  - Health Professionals Education & Research \$48,032,684
- A Community Health Needs Assessment (CHNA) was conducted in 2013 and detailed plans for each licensed hospital were created to meet the identified community needs and address community plans to address needs the hospitals are unable to address. In response to the identified needs in our assessment, Loma Linda University Health System have adopted the following initiatives and strategies for our community health investments for 2013-2015 in response to our community health needs assessment.
  - Loma Linda University Health (“LLUH”) System Wide Initiatives
    - Healthy Communities Initiative
    - Faith and Health Initiative
    - Whole Health System Care Initiative
  - LLUH Hospital Strategies – LLUMC
    - Whole Child Care
    - Whole Aging Care
    - Whole Chronic Disease Management Care
    - Whole Rehabilitation Care
    - Whole Cancer Care
    - Whole Sickle Cell Anemia Care
    - Health Care Pipelines
  - LLUH Hospital Strategies – Murrieta
    - Whole Child Care

- Whole Chronic Disease Management Care
- Whole Behavioral Health Care
- LLU Behavioral Health Medicine Center
  - Whole Behavioral Health Care

**Research:**

- The world-renowned scientists at Loma Linda University are striving to advance the understanding and care of human health in order to fulfill the institution’s mission “to make man whole.”
- LLUMC is the teaching hospital for Loma Linda University, which offers degree programs in Allied Health Professions, Behavioral Health, Dentistry, Medicine, Nursing, Pharmacy, Public Health and Religion.

**Attachments:**

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

## Applicant Information

Primary Contact E-mail: [joe.pollock@baml.com](mailto:joe.pollock@baml.com)

### Organizations

Name of Organization: Loma Linda University Medical Center

TIN or EIN:

### Primary Contact

First Name: **Steve**

Last Name: **Mohr**

Title: **Chief Financial Officer**

#### Address:

Street: **11234 Anderson Street, P.O. Box 2000**

Suite:

City: **Loma Linda**

State: **California**

Zip: **92354**

Phone: **(909) 558-4728**

Ext:

Fax:

Email: **smohr@llu.edu**

#### Type of Entity:

☐ For-profit Corporation

☒ Non-profit Corporation

☐ Partnership

☐ Other (specify)

Date Organized: **7/9/1967**

### Primary Billing Contact

Organization: **Loma Linda University Medical Center**

First Name: **Steve**

Last Name: **Mohr**

Title: **Chief Financial Officer**

#### Address:

Street: **11234 Anderson Street, P.O. Box 2000**

Suite:

City: **Loma Linda**

State: **California**

Zip: **92354**

Phone: **(909) 558-4728**

Ext:

Fax:

Email: **smohr@llu.edu**

## Project Information

Project Name: **Taxable Interim Financing**

### Facility #1

Facility Name: **Loma Linda University Medical Center - Murrieta**

Facility Bond Amount: **\$210,000,000.00**

#### Project Address:

Street: **28062 Baxter Road**

City: **Murrieta**

State: **California**

Zip: **92563**

County: **Riverside**

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 #:

42

State Senate District #:

36

State Assembly District #:

67

## Financing Information

Tax Exempt:

\$

Taxable:

\$ 210,000,000.00

Total Principal Amount:

\$ 210,000,000.00

Proposed Closing date: 07/18/2014

Maturity 1 Years

### Interest Rate Mode:

☒ Fixed

☐ Variable

Denominations: 25,000

### 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: John

Last Name: Myers

Title: Partner

#### Address:

Street: 400 Capitol 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: BofA Merrill Lynch

#### Primary Contact

First Name: Joe

Last Name: Pollock

Title: Vice President

#### Address:

Street: 555 California Street

Suite: 1160

City: San Francisco

State: California

Zip: 94104

Phone: (415) 913-2778

Ext:

Fax:

Email: joe.pollock@bamf.com

### Financial Advisor

Firm Name:

#### Primary Contact

First Name:

Last Name:

Title:

#### Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### 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.

**RESOLUTION NO. 14NP-\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF FEDERALLY TAXABLE  
REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$210,000,000 TO  
FINANCE THE ACQUISITION OF CERTAIN REAL PROPERTY ASSETS USED IN  
THE OPERATION OF LOMA LINDA UNIVERSITY MEDICAL CENTER -  
MURRIETA BY LOMA LINDA UNIVERSITY MEDICAL CENTER AND OTHER  
MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, Loma Linda University Medical Center, a California nonprofit religious corporation (the “Corporation”), wishes to finance the acquisition of certain real property assets (land, buildings and fixtures) (the “Facilities”) to be owned by the Corporation (such acquisition, the “Project”), which Facilities are located in the City and are intended to be leased to Loma Linda University Medical Center – Murrieta (“LLUMC-M”), a California nonprofit religious corporation, in connection with the operation of LLUMC-M;

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

WHEREAS, pursuant to a Bond Indenture (the “Bond Indenture”), between the Authority and U.S. Bank National Association (the “Bond Trustee”), the Authority will issue the California Statewide Communities Development Authority Federally Taxable Revenue Bonds (Loma Linda University Medical Center), Series 2014 (the “Bonds”) for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Agreement”), between either Merrill Lynch, Pierce, Fenner & Smith, Incorporated or Bank of America, N.A., as purchaser (the “Purchaser”) and the Authority and approved by the Corporation, the Bonds will be sold to the Purchaser, and the proceeds of such sale will be used as set forth in the Bond Indenture to finance the Project and to pay costs incurred in connection with the issuance of the Bonds;

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

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

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

**Section 1.** Pursuant to the Act and the Bond Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Federally Taxable Revenue Bonds (Loma Linda University Medical Center), Series 2014” in an aggregate principal amount not to exceed two hundred ten million dollars (\$210,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of

the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

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

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

contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

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

**Section 8.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing for the Project.

**Section 9.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 7th day of August, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

**Item VI.**

Consider the following resolutions for Assessment District 14-01 (County of Contra Costa) related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)

- a. Amended and restated resolution of intention to finance the payment of public infrastructure improvements, including approval of proposed boundary map.
- b. Amended and restated resolution preliminary approving the engineer's reports, setting the public hearing of protests and providing property owner ballots.

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## SUMMARY AND APPROVALS

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<b>PROGRAM:</b>	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
<b>PURPOSE:</b>	<p>NO. 14-01 CITY OF OAKLEY, COUNTY OF CONTRA COSTA ASSESSMENT DISTRICT</p> <p>1. AMENDED AND RESTATED RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF CAPITAL IMPROVEMENTS, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP</p> <p>2. AMENDED AND RESTATED RESOLUTION PRELIMINARILY APPROVING ENGINEER’S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.</p>
<b>PRIMARY ACTIVITY:</b>	FINANCE THE PAYMENT OF PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

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SCIP has received an application in the city of Oakley, County of Contra Costa to finance the payment of capital improvements.

The amount of bonds to be issued will not exceed \$16,000,000 with a proposed closing date in the fall of 2014. The Commission is being requested to approve the following:

- The amended and restated resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Amended and restated Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for October 9, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer’s report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer’s report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Emerson Ranch

The capital improvements include roadway, street lights, sanitary sewer, storm drain, landscaping & water. Improvements total \$12,414,968.



**Approvals:**

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for October 9, 2014 at 10:00 a.m. at the League of California Cities.

**PRELIMINARY**

**ENGINEER'S REPORT**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01  
COUNTY OF CONTRA COSTA**

***BEGINNING FISCAL YEAR 2014-2015***

**INTENT MEETING: AUGUST 7, 2014**

**PUBLIC HEARING: OCTOBER 9, 2014**

**Prepared by**

DAVID TAUSSIG & ASSOCIATES, INC.  
2250 Hyde Street, 5th Floor  
San Francisco, California 94109  
(800) 969-4382

Public Finance  
Public Private Partnerships  
Urban Economics

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Newport Beach  
San Francisco  
Fresno  
Riverside  
Chicago, Illinois  
Dallas, Texas

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**CALIFORNIA STATEWIDE COMMUNITIES**  
**DEVELOPMENT AUTHORITY**

Scott Carper  
*California Statewide Communities Development Authority*

**PROFESSIONAL SERVICES**

UNDERWRITER  
Robert Williams  
*RBC Capital Markets Corporation*

BOND COUNSEL  
John Knox, Esq.  
*Orrick, Herrington & Sutcliffe LLP*

PROGRAM ADMINISTRATOR  
Daniel Chang  
*BLX Group, LLC*

ASSESSMENT ENGINEERING  
David Taussig  
Alfredo Ayuyao, P.E.  
Nathan D. Perez, Esq.  
*David Taussig & Associates, Inc.*

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### APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: \_\_\_\_\_, 2014

David Taussig & Associates

By: \_\_\_\_\_  
Alfredo Ayuyao, P.E.  
License Number: C34306

By: \_\_\_\_\_  
David Taussig, President

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Superintendent of Streets of the Authority,  
California Statewide Communities  
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") Statewide Communities Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with Resolution No. 14R-15 (the "Original Resolution of Intention"), as amended and restated by the Amended and Restated Resolution of Intention, Resolution No. 14-\_\_\_\_\_, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The following public agencies are parties to the District:

- City of Oakley ("City")
- Ironhouse Sanitary District ("Sanitary District")
- Diablo Water District ("Water District")

The following capital improvements located within the District (alternatively known as “Emerson Ranch” or “Project”) located in the County of Contra Costa, California will be funded, or partially funded, by proceeds from this bond issuance.

- 1 Street/Roadway Improvements – Funding for capital improvements including, but not limited to, local streets with related grading; concrete curb, gutter and sidewalk; aggregate base; asphaltic concrete paving; and street lighting improvements. Notably, Sellers Road and Cypress Road have been addressed separately and independently within this Report.
- 2 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters for drainage and flood control purposes, including mainline and connector pipes, drainage inlets, manholes, retention basin, bubblers, risers, and outfall pumps. In an effort to be conservative, Storm Drainage improvements have been bifurcated into local and more regional elements, and both have been evaluated independently.
- 3 Sanitary Sewer Improvements (Ironhouse Sanitary District) – Funding for capital improvements for the collection of sewage, including but not limited to, pump station, manholes, gravity mainline, and force mains necessary to meet the project service demands of the Emerson Ranch project. Also in an effort to be conservative, Sanitary Sewer improvements have been bifurcated into local and more regional elements, and both have been evaluated independently.
- 4 Potable Water Improvements (Diablo Water District) – Funding for capital improvements for the water system, including but not limited to, the removal and installation of water mains and appurtenances, and the installation of fire hydrants, backflow preventer and irrigation, necessary to meet the potable and non-potable residential water needs of the Emerson Ranch project.
- 5 Landscaping - Funding for capital improvements including, grading, ground cover, irrigation, and recreational elements for the Emerson Ranch project and its residents.

### **Reimbursement for Capital Improvements**

Future negotiations and agreements between the City, Sanitary District, and Water District (collectively, the “Public Agencies”), and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the Public Agencies for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Emerson Ranch would then be paid, when received by the Public Agencies to the developer of Emerson Ranch. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer of Emerson Ranch may sell, those amounts would be paid to the developer of Emerson Ranch. As pertains to any such parcels still owned by the developer of Emerson Ranch, the Public Agencies would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

**Plans and Specifications** – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

**Cost Estimate** – An estimate of the cost of the improvements.

**Assessment Roll** – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor's Parcel number or other designation describes each parcel. Each parcel is also assigned an "assessment number" that links the Assessment Roll to the Assessment Diagram.

**Method of Assessment** – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

**Assessment Diagram** – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

**Administration** – Proposed maximum annual assessment per parcel for current costs and expenses.

**Debt Limitation Report** – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.



The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City, the Sanitary District, the Water District, and/or the County of Contra Costa, California.

## Summary Cost Estimate

The estimated costs of the improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the Project proponents, the City, the Sanitary District, the Water District, the County of Contra Costa, and the SCIP Administrator. All public improvements listed below will be dedicated to the City except where specifically noted.

Cost Estimate County of Contra Costa - Emerson Ranch							
Description	Capital Improvement Expenses	Commercial	Capital Improvement Expenses less Commercial	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
<b>Public Improvements Funded (Phase 1)</b>							
Roadway & Street Lights	\$5,778,262	\$0	\$5,778,262	50.00%	\$2,889,131	\$0	\$2,889,131
Storm Drain	\$1,765,150	\$1,090,100	\$675,050	99.00%	\$668,300	\$0	\$668,300
Storm Drain (Regional)	\$1,972,625	\$0	\$1,972,625	25.00%	\$493,156	\$0	\$493,156
Sanitary Sewer - Ironhouse Sanitary District	\$948,400	\$105,057	\$843,343	90.00%	\$759,009	\$0	\$759,009
Sanitary Sewer (Regional) - Ironhouse Sanitary District	\$1,282,400	\$0	\$1,282,400	25.00%	\$320,600	\$0	\$320,600
Water - Diablo Water District	\$1,254,400	\$0	\$1,254,400	90.00%	\$1,128,960	\$0	\$1,128,960
Landscaping and Other	\$4,326,554	\$0	\$4,326,554	90.00%	\$3,893,898	\$0	\$3,893,898
Off-Site Improvements (Cypress Rd.)	\$1,800,000	\$0	\$1,800,000	0.00%	\$0	\$0	\$0
<b>Public Improvements Funded (Phase 2)</b>							
Roadway & Street Lights	\$2,999,075	\$0	\$2,999,075	50.00%	\$1,499,538	\$0	\$1,499,538
Storm Drain	\$766,965	\$0	\$766,965	99.00%	\$759,295	\$0	\$759,295
Storm Drain (Regional)	\$0	\$0	\$0	25.00%	\$0	\$0	\$0
Sanitary Sewer - Ironhouse Sanitary District	\$541,400	\$0	\$541,400	90.00%	\$487,260	\$0	\$487,260
Sanitary Sewer (Regional) - Ironhouse Sanitary District	\$223,750	\$0	\$223,750	25.00%	\$55,938	\$0	\$55,938
Water - Diablo Water District	\$685,300	\$0	\$685,300	90.00%	\$616,770	\$0	\$616,770
Landscaping and Other	\$1,607,349	\$0	\$1,607,349	90.00%	\$1,446,614	\$0	\$1,446,614
Off-Site Improvements (Cypress Rd. and Sellers Rd.)	\$2,504,500	\$0	\$2,504,500	0.00%	\$0	\$0	\$0
Developer Contribution	(\$2,603,500)	\$0	(\$2,603,500)	100.00%	(\$2,603,500)	\$0	(\$2,603,500)
<b>Subtotal</b>	<b>\$25,852,629</b>	<b>\$1,195,157</b>	<b>\$24,657,473</b>	<b>NA</b>	<b>\$12,414,968</b>	<b>\$0</b>	<b>\$12,414,968</b>
<b>Emerson Ranch</b>							
Assessment Engineer	\$45,000		100.00%	100.00%	\$45,000	\$0	\$45,000
Appraiser	\$5,000		100.00%	100.00%	\$5,000	\$0	\$5,000
District Administration	\$10,000		100.00%	100.00%	\$10,000	\$0	\$10,000
<b>Subtotal</b>	<b>\$60,000</b>			<b>NA</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$60,000</b>
<b>Financing Costs</b>							
Bond Reserve Fund	8.00%			NA	\$1,224,687	-	-
Capitalized Interest	6.00%			NA	\$918,515	-	-
Legal	1.00%			NA	\$153,086	-	-
Issuer	1.50%			NA	\$229,629	-	-
Underwriter	2.00%			NA	\$306,172	-	-
Contingency	0.01%			NA	\$1,531	-	-
<b>Subtotal</b>	<b>18.51%</b>			<b>NA</b>	<b>\$2,833,620</b>	<b>-</b>	<b>-</b>
<b>Total Assessment</b>					<b>\$15,308,588</b>		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, as shown below lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the Project proponents, the City, the Sanitary District, the Water District, and the County of Contra Costa Assessor.

Assessment Roll							
County of Contra Costa - Emerson Ranch							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Emerson Ranch	037-192-026	\$6,400,000	140.25	<b>Brookfield Emerson Land LLC</b> 500 La Gonda Way #100 Danville, CA 94526	\$15,308,588	-
Total			\$6,400,000	140.25		\$15,308,588	-

## A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-01 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing,

the Authority must make the final action in determining that the assessment has been made in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

## **B. Special Benefit**

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. The capital improvements financed for the development project included within this Report provide direct and special benefit to the properties being assessed since they could not be developed with building structures without the installation of the District improvements.

### **1. Roadway Improvements**

Road usage is typically computed on the basis of anticipated trip generation. Any traffic analysis or impact study would need to assume a reasonable trip generation rate for each intended land use to not only determine accumulated traffic volumes but also the relative impact of each proposed land use on proposed mitigations. However, because the District proposes only one land use, single family detached residential, all lots have the same relative impact as any other lot in the development for streets within the District. On the same parcel, however, there exists a potential commercial land use which needs to be similarly allocated trip counts.

Street improvements outside the District/commercial land use parcel are required by the governing agency for the Project to satisfy tentative map conditions – the specific traffic improvements are to regional roads, Sellers Road, and Cypress Road. If the Seller and Cypress improvements were included in the District, the cost of the improvements would be considered more “general” than “specific benefit,” therefore, in an effort to be incredibly conservative, these improvements to Sellers Road and Cypress Road and their associated costs have been **entirely excluded** from the allocation herein.

Ultimately, given uncertainty regarding future land development, and the exclusion of Sellers Road and Cypress Road improvements, DTA very conservatively and generously assigned general benefit to the roadway and street light system of 50%. Please see Table 1 for additional information.

### **2. Stormwater/Drainage Facilities**

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the

various tributary drainage areas that impact the property. However, because the Emerson Ranch project consists of only single family detached residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same. The exception is the potential commercial element, which will likewise benefit from these improvements. Accordingly, the potential commercial element's allocatable share of associated stormwater facility costs has been deducted, at the outset, from the District's total capital improvement budget.

The storm drain improvements are designed based on a drainage area consistent with the Emerson Ranch project boundary. On its face, these improvements would provide 100% special benefit to Emerson Ranch residents, however it is arguable that the basin mitigates potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from neighboring communities may enjoy the use of these improvements. Therefore, a general benefit of 1% of the costs for drainage is assigned to in-tract stormwater drainage facilities. Additionally, a very generous *general* benefit of 75% has been assigned to the more regional improvements as outlined in Table 1 and on record with the Assessment Engineer and the Civil Engineer of Record.

### **3. Sanitary Sewer (Ironhouse Sanitary District)**

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the District consists of all single family detached land use, the relative contribution to total project sewer generation is equal among all lots. The mainline sewer pipes, manholes and lift station are designed to convey sewage from the Emerson Ranch project only. Except for the potential commercial element, it is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Emerson Ranch project. However, typically the system design incorporates some excess capacity due to incremental sizing of pipes, pumps, and appurtenances. This excess capacity might be used in the future as the design and land uses dictate. Additionally, the potential commercial element's allocatable share of associated sanitary sewer facility costs has been deducted, at the outset, from the District's total capital improvement budget.

Accordingly, the general benefit assignment to the sewer system is 10% for the costs of in-tract sanitary sewer facilities. Additionally, a very generous *general* benefit of 75% has been assigned to the more regional sanitary sewer improvements as outlined in Table 1 and on record with the Assessment Engineer and the Civil Engineer of Record.

### **4. Potable & Non Potable Water (Diablo Water District)**

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the District consists of all single family detached land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements

would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 10% of the improvement cost is assigned to Potable and Non-Potable Water.

#### **5. Landscaping, Park, & Other**

The primary determinant of park usage is land use population related to historical head counts at peak periods. Because the Emerson Ranch development project consists of all single family detached land use, the relative contribution to park usage is equal among all lots. It is conceivable however, as discussed in the storm drainage section above, that residents from the adjacent neighborhoods, or residents outside of the Project, might enjoy the use of this neighborhood park. Due to this possible general benefit, similar to what was determined in the storm drainage analysis, a general benefit of 10% has been assigned to the park facilities.

### **C. Apportionment**

The District is located in the City of Oakley in the County of Contra Costa, California and is bounded by a Contra Costa Water District canal on the north, Sellers Avenue to the east, Cypress Road to the south, and existing communities and homes to the west. The District site plan consists of a total of 567 single-family residential dwelling units.

The assessments for this District with Phase 1 consisting of 331 single-family residences and Phase 2 planned for 236 single family lots; each phase may be apportioned equal special benefit on a pro rata basis. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or re-subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels may be apportioned as described on the following pages.

#### **1. Benefiting Properties within the District**

At the time this Report was prepared, the District plan was comprised of 567 single-family detached residential homes.

Each parcel will have certain improvements funded through the District and will be assessed for such improvements financed through the District. At the time this Report was prepared, the Emerson Ranch final map had not been recorded and was being processed. If land uses change or the existing parcels are re-subdivided, the assessment will be allocated to each new assessor's parcels in proportion to the original assessment based on the net acreage of each new assessor's parcel.

#### **2. Benefit Analysis**

The method of apportionment established for the District reflects the proportional special benefit that each property receives from the improvements. For this residential



development, it has been determined that the benefit to each of the single-family residential lots is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the single family residential property and divided by the total number of approved single family residential units within the District, or one equivalent benefit unit (EBU) for each proposed single-family residential unit. The assessments for this development will be placed onto the future subdivided Assessor's Parcels on which the development is located.

The construction of the improvements associated with the Emerson Ranch development provides a direct and special benefit to the properties in the development, for the ultimate purposes of ingress/egress, access, utility service, and drainage. The lots in the development could not be created nor the special benefit enjoyed by the ultimate lot owners without the construction of these improvements, which were required in order for the property to be developed.

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

Roadway and circulation system improvements are typically computed on the basis of anticipated trip generation. Due to each future parcel having the same land use, each lot generates the same average daily trips ("ADT"), the Equivalent Benefit Unit ("EBU") assigned to each lot is 1.0.

The storm drainage and sanitary sewer improvements are typically apportioned by area, as discussed above. Though not part of the District, the potential commercial element will derive benefit from these improvements. Therefore, since the potential commercial element is much larger than the size of the typical lot in this project, the commercial element's potential utilization of the improvements has previously been deducted from the capital improvement budget by the Civil Engineer of Record. Finally, the water and landscaping/park improvements are apportioned by parcel, as discussed above.

#### D. Conclusion

In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement, herein defined as Improvements and Impact Fees and identified in Section V, in compliance with the requirements of Article XIID of the California Constitution.

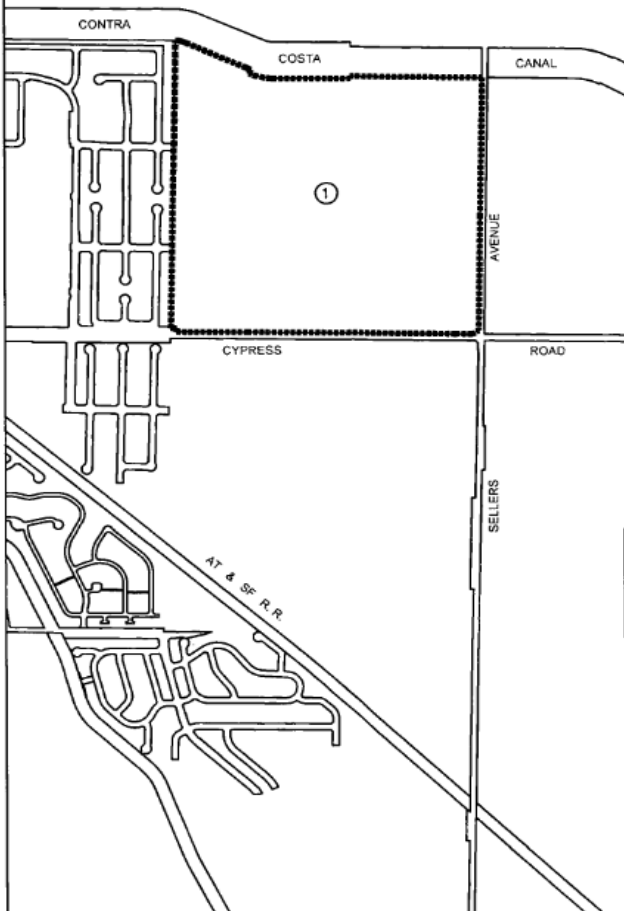


A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Original Resolution of Intention, was filed and recorded at the County of Contra Costa Recorder's office on June 9, 2014 (Document No: 2014-93216). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. 14-01  
(COUNTY OF CONTRA COSTA)  
STATE OF CALIFORNIA**



Assessment Number	Assessor Parcel Number
1	037-192-026

For particulars of lines and dimensions of Assessor's parcels reference is made to the maps of the Contra Costa County Assessor, California.

LEGEND	
(N)	Assessment Number
.....	Boundary Line



PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

Filed this 9th day of June, 2014, at the hour of 9:31 o'clock A. m., in book 85 of Maps of Assessment and Community Facilities Districts at page 2 in the office of the Recorder of the County of Contra Costa, State of California.  
[Signature]  
By Deputy,  
County Recorder, County of Contra Costa

#14-93216

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the 28th day of April, 2014.  
[Signature]  
Superintendent of Streets  
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority Statewide Communities Infrastructure Program Assessment District No. 14-01 (County of Contra Costa), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the 17th day of April, 2014, by its resolution No. 14R-15.

[Signature]  
Secretary of the Authority  
California Statewide Communities Development Authority

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Francisco-Oakland-San Jose area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961, and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations, and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) equals \$15,308,588.

The County of Contra Costa's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) totals \$6,400,000.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) totals \$3,200,000.

The value-to-lien based on the County of Contra Costa's assessed value for all properties located in the District is 0.42.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) and will be incorporated into the Final Engineer's Report and/or Official Statement for any bonds to be issued that are secured by the District.

[http://localhost:9010/resources/Clients/CSCDA/Emerson Ranch AD/Engineer's Report/CSCDA AD No. 14-01 \(Contra Costa County\) Engineer's Report \(Preliminary 08.01.2014\).docx](http://localhost:9010/resources/Clients/CSCDA/Emerson Ranch AD/Engineer's Report/CSCDA AD No. 14-01 (Contra Costa County) Engineer's Report (Preliminary 08.01.2014).docx)

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## **Attachment 1**

Assessment District No. 14-01  
California Statewide Communities Development Authority  
(Statewide Communities Infrastructure Program)  
County of Contra Costa

Assessment Roll

(Please See Section VI)

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Public Finance  
Public Private Partnerships  
Urban Economics

2250 Hyde Street  
5<sup>th</sup> Floor  
San Francisco, CA 94109  
Phone (800) 969-4382

**RESOLUTION NO. \_\_\_\_\_**

**AMENDED AND RESTATED RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01 (COUNTY OF CONTRA COSTA, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, on April 17, 2014, the Commission adopted its Resolution No. 14R-15, a resolution of intention to finance capital improvements and approve a proposed boundary map for the California Statewide Communities Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California) (the "Assessment District"); and

**WHEREAS**, due to changes requested by the developer and sole landowner within the Assessment District, it is now necessary and desirable that the Commission ratify and readopt such resolution in the form herein presented; and

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the "1913 Act"), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the "Code"), the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority") intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the "Improvements") as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Assessment District; and

**WHEREAS**, the Commission finds that the land specially benefited by the financing of the Improvements is shown within the boundaries of the map entitled "Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa) State of California," a copy of which map was recorded with the County Recorder of the County of Contra Costa on June 9, 2014 on Page 2 of Book 85 (Document No. 2014-93216), and determines that the land within the exterior boundaries shown on the map shall be designated "Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California)";

**WHEREAS**, the City of Oakley, the Ironhouse Sanitary District, and the Diablo Water District are each a member of the Authority and have each approved the adoption on its behalf of this Resolution of Intention and have each consented to the levy of the assessments in the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1.       The above recitals are true and correct.

Section 2.       Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the "1931 Act"), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIID of the California Constitution.

Section 4. The proposed boundary map of the Assessment District recorded with the County Recorder of the County of Contra Costa on June 9, 2014 on Page 2 of Book 85 (Document No. 2014-93216) is hereby ratified.

Section 5. The Commission determines that the cost of financing the Improvements shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. This Resolution shall take effect on its date of adoption and upon its adoption Resolution No. 14R-15 shall be of no further effect.



**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

## EXHIBIT A

### DESCRIPTION OF WORK

The payment of capital improvements to be acquired and owned by the City of Oakley, Ironhouse Sanitary District and/or the Diablo Water District upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

#### CAPITAL IMPROVEMENTS

1. Roadway and Street Lights
2. Storm Drain
3. Storm Drain (regional)
4. Sanitary Sewer (Ironhouse Sanitary District)
5. Sanitary Sewer (Ironhouse Sanitary District) (Regional)
6. Potable Water (Diablo Water District) (including regional)
7. Landscaping and Other

**RESOLUTION NO. \_\_\_\_\_**

**AMENDED AND RESTATED RESOLUTION PRELIMINARILY APPROVING  
ENGINEER'S REPORT, SETTING DATE FOR PUBLIC HEARING OF  
PROTESTS AND PROVIDING FOR PROPERTY OWNER BALLOTS FOR  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT  
DISTRICT NO. 14-01 (COUNTY OF CONTRA COSTA, CALIFORNIA)**

WHEREAS, on April 17, 2014, the Commission adopted its Resolution No. 14R-16, a resolution preliminarily approving engineer's report, setting the date for public hearing of protests and providing for property owner ballots for the California Statewide Communities Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California) (the "Assessment District"); and

WHEREAS, due to changes requested by the developer and sole landowner within the Assessment District, it is now necessary and desirable that the Commission ratify and readopt such resolution in the form herein presented; and

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in the Assessment District has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the "Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on October 9, 2014 at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5<sup>th</sup> Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

Section 6. This Resolution shall take effect on its date of adoption and upon its adoption Resolution No. 14R-16 shall be of no further effect.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this 7<sup>th</sup> day of August, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
                    Authorize Signatory  
                    California Statewide Communities  
                    Development Authority

**Item VII.**

Consider the following resolutions for separate Statewide Community Infrastructure Program (SCIP) Assessment Districts: (Staff: Scott Carper)

- a. Resolutions of intention to finance the payment of public infrastructure improvements and development impact fees, including approval of proposed boundary maps;
- b. Resolutions preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots.

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## SUMMARY AND APPROVALS

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<b>PROGRAM:</b>	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
<b>PURPOSE:</b>	NO. 14-02 CITY OF MANTECA, COUNTY OF SAN JOAQUIN ASSESSMENT DISTRICT  1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF IMPACT FEES & CAPITAL IMPROVEMENTS, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP  2. RESOLUTION PRELIMINARILY APPROVING ENGINEER’S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
<b>PRIMARY ACTIVITY:</b>	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

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SCIP has received an application in the city of Manteca, County of San Joaquin to finance the payment of development impact fees & capital improvements.

The amount of bonds to be issued will not exceed \$2,000,000 with a proposed closing date in the fall of 2014. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for October 9, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer’s report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer’s report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

### Orchard Park – Phase II

The development impact fees include park acquisition fee, public facilities sewer fees, storm drainage fees, well water fees, sewer connection & water meter installation fees. Capital improvements include landscaping, roadway, sanitary sewer, storm drain & water. Total \$1,545,376.

**Approvals:**

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for October 9, 2014 at 10:00 a.m. at the League of California Cities.



**PRELIMINARY**

**ENGINEER'S REPORT**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-02  
CITY OF MANTECA, COUNTY OF SAN JOAQUIN**

***BEGINNING FISCAL YEAR 2014-2015***

**INTENT MEETING: AUGUST 7, 2014**

**PUBLIC HEARING: OCTOBER 9, 2014**

**Prepared by**

DAVID TAUSSIG & ASSOCIATES, INC.  
2250 Hyde Street, 5th Floor  
San Francisco, California 94109  
(800) 969-4382

Newport Beach  
San Francisco  
Fresno  
Riverside  
Chicago, Illinois  
Dallas, Texas

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**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

Scott Carper  
*California Statewide Communities Development Authority*

**PROFESSIONAL SERVICES**

**UNDERWRITER**  
Robert Williams  
*RBC Capital Markets Corporation*

**BOND COUNSEL**  
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**PROGRAM ADMINISTRATOR**  
Daniel Chang  
*BLX Group, LLC*

**ASSESSMENT ENGINEERING**  
David Taussig  
Stephen A. Runk, P.E.  
Nathan D. Perez, Esq.  
*David Taussig & Associates, Inc.*

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### APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: \_\_\_\_\_, 2014

David Taussig & Associates, Inc.

By: \_\_\_\_\_  
Stephen A. Runk, P.E.  
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Superintendent of Streets of the Authority,  
California Statewide Communities  
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. \_\_\_\_\_, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

### **A. Impact Fees**

- 1 Park Acquisition & Improvement Fees (*effective June 16, 2003*) – Fees imposed by the City of Manteca to generate revenue to fund park facilities required for new development.
- 2 WQCF Phase III Completion Charge, Low Density (*Ord. No. 1411; approved July 20, 2009*) – fees imposed by City of Manteca to fund the Phase III expansion of the Manteca WQCF to provide 10 MGD of Title 22 recycled water. Construction included an influent pump station equipped with Floway VTPs, Aqua Aerobics tertiary filters, Wedeco UV disinfection, chemical handling facility, a 7-million-gallon HPDE lined and covered effluent equalization pond, covered primary sedimentation basins, odor control biofilters, a truck fill station, emergency generator, and site improvements.
- 3 Public Facilities Implementation Plan (“PFIP”) Sewer Fees, Low Density, Zone 24 (*Res. No. R2013-31; rates effective May 4, 2013*) – the PFIP is the implementing program for public infrastructure policies identified in the City’s General Plan Policy Document. The purpose of the PFIP is to ensure that certain public infrastructure needed for growth – namely water, wastewater, storm drainage, and transportation facilities – are sufficient to support the City’s growth in accordance with its General Plan. Another purpose of the PFIP is to ensure that infrastructure is constructed in a timely manner and financed in a way that equitably divided financial responsibility in proportion to the demands placed on the new facilities.

The PFIP uses a development impact model wherein the City assumes some responsibility for funding and constructing major facilities, while the developers – in most cases – simply pay their proportionate share to reimburse the City for the cost to finance and construct the infrastructure.

On March 5, 2013, the Manteca City Council adopted the 2013 Public Facilities Implementation Plan Update. It should be noted that only the fees for water, storm drainage, and sewer collection facilities were included in the 2013 PFIP Update. The program and fees for transportation adopted previously remain in effect until updated in the future.

- 4 PFIP Storm Drainage Fees, Low Density, Zone 36 (*Res. No. R2013-31; rates effective May 4, 2013*) - PFIP fees for storm drainage are based on the land use type and the zone in which the parcel is located. This fee is charged when a parcel of land is paved over or built upon, as for a commercial development, or for each home within a subdivision as it is built. Water that would have been absorbed into the ground is now runoff that must be handled by the City’s drainage system. This fee does not apply to new construction on a site that is already paved (for example, existing buildings were demolished and are being replaced).
- 5 PFIP Well Water Fees, Low Density (*Res. No. R2013-31; rates effective May 4, 2013*) – Development fee that pays for new water wells and distribution lines (In addition to

connection fees above; applies to all land uses). Fees for this category discussed herein are net of fee credits.

- 6 Sewer Connection, Phase III (*effective December 3, 2003*) – Sewer impact fee imposed by the City of Manteca to fund sewer expansion projects needed to serve new development.
- 7 Water Meter Installation (*effective January 1, 2013*) - Fees for new connections to City of Manteca water system, all zones.

## **B. Capital Improvements**

The following capital improvements located within the Pillsbury Estates/Orchard Park (Phase II) project, specifically for Mono Street, Pillsbury Road, Buena Vista Avenue, and Azevedo Avenue, located in the City of Manteca, California will be funded, or partially funded, by proceeds from this bond issuance.

- 1 Street / Roadway Improvements – Funding for capital improvements including, but not limited to, local streets with related grading; concrete curb, gutter and sidewalk; aggregate base; asphaltic concrete paving; and street lighting improvements.
- 2 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters for drainage and flood control purposes, including mainline and connector pipes, drainage inlets, manholes, retention basin, bubblers, risers, and outfall pumps.
- 3 Sanitary Sewer Improvements – Funding for capital improvements for the collection of sewage, including but not limited to, pump station, manholes, gravity mainline, and force mains necessary to meet the project service demands of the Pillsbury Estates/Orchard Park (Phase II) development.
- 4 Water Improvements – Funding for capital improvements for the water system, including but not limited to, the removal and installation of water mains and appurtenances, and the installation of fire hydrants, backflow preventer and irrigation, necessary to meet the potable and non-potable water needs of the Pillsbury Estates/Orchard Park (Phase II) development.
- 5 Landscaping - Funding for capital improvements including, but not limited to, park site grading, ground cover, irrigation, play equipment, and low voltage lighting necessary to meet the neighborhood park space needs of the Pillsbury Estates/Orchard Park (Phase II) development.

## **C. Reimbursement for Capital Improvements**

Future negotiations and agreements between the City of Manteca (“City”) and the project developer may outline a mechanism whereby the developer of a “benefited” property would

pay the City for that property's share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Pillsbury Estates/Orchard Park (Phase II) would then be paid, when received by the City, to the developer of Pillsbury Estates/Orchard Park (Phase II). Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer of Pillsbury Estates/Orchard Park (Phase II) may sell, those amounts would be paid to the developer of Pillsbury Estates/Orchard Park (Phase II). As pertains to any such parcels still owned by the developer of Pillsbury Estates/Orchard Park (Phase II), the City would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

**Plans and Specifications** – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

**Cost Estimate** – An estimate of the cost of the improvements.

**Assessment Roll** – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor's Parcel number or other designation describes each parcel. Each parcel is also assigned an "assessment number" that links the Roll to the Diagram.

**Method of Assessment** – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

**Assessment Diagram** – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

**Maximum Annual Administrative Cost Add-on** – Proposed maximum annual assessment per parcel for current costs and expenses.

**Debt Limitation Report** – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.



The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Manteca and/or the County of San Joaquin, California.

## Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of Manteca, and the SCIP Administrator.

<b>Cost Estimate</b> <b>City of Manteca, County of San Joaquin - Orchard Park (Phase II)</b>					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
<b>Impact Fees</b>					
Park Acquisition & Improvement	\$176,184	100.00%	\$176,184	\$0	\$176,184
WQCF Phase 3 Completion Charge - Low Density	\$144,216	100.00%	\$144,216	\$0	\$144,216
Sewer PFIP - Low Density, Zone 24	\$96,336	100.00%	\$96,336	\$0	\$96,336
Storm Drainage PFIP - Low Density, Zone 36	\$64,512	100.00%	\$64,512	\$0	\$64,512
Well Water PFIP Low Density (Net of Credit)	\$227,376	100.00%	\$227,376	\$0	\$227,376
Phase 3 Sewer Connection	\$285,192	100.00%	\$285,192	\$0	\$285,192
Water Meter Installation (5/8")	\$20,232	100.00%	\$20,232	\$0	\$20,232
<b>Subtotal</b>	<b>\$1,014,048</b>	<b>NA</b>	<b>\$1,014,048</b>	<b>\$0</b>	<b>\$1,014,048</b>
<b>Public Improvements Funded (Phase II Costs Only)</b>					
Transportation (Arterials - Mono St./Pillsbury Rd.)	\$260,075	25.00%	\$65,019	\$0	\$65,019
Transportation (Surface, Local)	\$127,607	95.00%	\$121,227	\$0	\$121,227
Park/Drainage/Common Costs	\$240,220	95.00%	\$228,209	\$0	\$228,209
<b>Subtotal</b>	<b>\$627,903</b>	<b>NA</b>	<b>\$414,455</b>	<b>\$0</b>	<b>\$414,455</b>
<b>Developer Contribution</b>					
	(\$204,503)	100.00%	(\$204,503)	\$0	(\$204,503)
<b>Subtotal</b>	<b>\$1,437,448</b>	<b>NA</b>	<b>\$1,224,000</b>	<b>\$0</b>	<b>\$1,224,000</b>
<b>Orchard Park (Phase II)</b>					
Assessment Engineer	\$12,600	100.00%	\$12,600	\$0	\$12,600
Appraiser	\$5,000	100.00%	\$5,000	\$0	\$5,000
District Administration	\$10,000	100.00%	\$10,000	\$0	\$10,000
<b>Subtotal</b>	<b>\$27,600</b>	<b>NA</b>	<b>\$27,600</b>	<b>\$0</b>	<b>\$27,600</b>
<b>Financing Costs</b>					
Bond Reserve Fund	8.00%	NA	\$123,630	-	-
Capitalized Interest	6.00%	NA	\$92,723	-	-
Legal	1.00%	NA	\$15,454	-	-
Issuer	1.50%	NA	\$23,181	-	-
Underwriter	2.50%	NA	\$38,634	-	-
Contingency	0.01%	NA	\$155	-	-
<b>Subtotal</b>	<b>19.01%</b>	<b>NA</b>	<b>\$293,776</b>	<b>-</b>	<b>-</b>
<b>Total Assessment</b>			<b>\$1,545,376</b>		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, provided below, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of San Joaquin Assessor, and the SCIP Administrator.

Assessment Roll							
City of Manteca, County of San Joaquin - Orchard Park (Phase II)							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Orchard Park (Phase II)	226-240-640-000	\$127,136	7.980	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$708,297	-
2	Orchard Park (Phase II)	226-240-650-000	\$95,353	5.810	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$515,125	-
3	Orchard Park (Phase II)	226-250-290-000	\$52,974	3.440	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$321,953	-
Total			\$275,463	17.23		\$1,545,376	-

## A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-02 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing,

the Authority must make the final action in determining that the assessment has been made in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

## B. Special Benefit

### 1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the California Mitigation Fee Act (the “Act” or “AB 1600”). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:

- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.*
- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
  - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate 100% “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications related to the public improvements funded by these impact and connection fees are on file with the City of Manteca, the County of San Joaquin, California, and/or associated public agencies in the region.

## 2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. The capital improvements financed for the development project included within this Report provide direct and special benefit to the properties being assessed since they could not be developed with building structures without the installation of the District improvements.

### a. Roadway Improvements

Road usage is typically computed on the basis of anticipated trip generation. Any traffic analysis or impact study would need to assume a reasonable trip generation rate for each intended land use to not only determine accumulated traffic volumes but also the relative impact of each proposed land use on proposed mitigations. However, because the Pillsbury Estates/Orchard Park (Phase II) development project proposes only one land use, single family

detached residential, all lots have the same relative impact as any other lot in the development.

Mono Street is a local, east/west oriented street within Pillsbury Estates/Orchard Park (Phase II) that provides access to Pillsbury Road on the east boundary of the development and direct access to Buena Vista and Azevedo Avenues within the Project. Mono Street will also connect on the west end with a future extension into the adjacent Evans Estates, a proposed development that will predominately access Manteca Road on its westerly boundary. The alignment of Mono Street through Evans Estates is not direct to Manteca Road, but essentially winds through a network of local in-tract streets.

Although Mono Street is intended to provide access for the Pillsbury Estates/Orchard Park (Phase II) project to Pillsbury Road, it cannot be denied that there will be trips through Mono Street to Pillsbury Road originating from Evans Estates. Therefore, there will be a general benefit related to the construction of Mono Street. Ultimately, given uncertainty regarding future land development, DTA very conservatively and generously assigned general benefit to the roadway and street light system as follows: 75% for the more regional, arterial streets – Mono Street and Pillsbury Road, and 5% for the more local, surface improvements related to Buena Vista and Azevedo Avenues.

#### **b. Stormwater/Drainage Facilities**

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the various tributary drainage areas that impact the property. However, because the Pillsbury Estates/Orchard Park (Phase II) project consists of only single family detached residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same.

The storm drain improvements related to Mono Street, Buena Vista Avenue, and Azevedo Avenue, are designed based on a drainage area consistent with the Pillsbury Estates/Orchard Park (Phase II) project boundary. The park use is intended to be neighborhood in scope, serving Pillsbury Estates/Orchard Park (Phase II) residents only. On its face, the park/basin would provide 100% special benefit to Pillsbury Estates/Orchard Park (Phase II) residents, however it is arguable that the basin mitigates potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from Evans Estates may enjoy the use of the park. Therefore, a general benefit of 5% of the costs for drainage is assigned to stormwater drainage facilities.



**c. Sanitary Sewer**

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the Pillsbury Estates/Orchard Park (Phase II) development project consists of all single family detached land use, the relative contribution to total project sewer generation is equal among all lots. The mainline sewer pipes, manholes and lift station are designed to convey sewage from the Pillsbury Estates/Orchard Park (Phase II) project only. It is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Pillsbury Estates/Orchard Park (Phase II) project. However, typically the system design incorporates some excess capacity due to incremental sizing of pipes, pumps, and appurtenances. This excess capacity might be used in the future as the design and land uses dictate. Therefore, the general benefit assignment to the sewer system is 5%.

**d. Potable & Non Potable Water**

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the Pillsbury Estates/Orchard Park (Phase II) development project consists of all single family detached land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 5% of the improvement cost is assigned to Potable and Non-Potable Water.

**e. Park & Other Improvements**

The primary determinant of park usage is land use population related to historical head counts at peak periods. Because the Pillsbury Estates/Orchard Park (Phase II) development project consists of all single family detached land use, the relative contribution to park usage is equal among all lots. It is conceivable however, as discussed in the storm drainage section above, that residents from the adjacent Evans Estates, or residents outside of the two projects, might enjoy the use of this neighborhood park. Due to this possible general benefit, similar to what was determined in the storm drainage and flood control analysis, a general benefit of 5% has been assigned to the park facilities.

**C. Apportionment**

The assessments for this development, Pillsbury Estates/Orchard Park, Phase II, will be apportioned pro rata on the seventy-two (72) residential lots indicated on the recorded tract maps and Assessor's Parcel maps for the project. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments



and/or re-subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

#### 1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of seventy-two (72) residential parcels, which encompass a current total acreage of 17.23 acres across the following three (3) Assessor's Parcels: 226-240-640-000, 226-240-650-000, and 226-250-290-000.

Each parcel will have certain improvements funded through SCIP and will be assessed for such improvements financed through the District. At the time this Report was prepared, Pillsbury Estates/Orchard Park (Phase II) final map had not yet been recorded and the development not yet fully parcelized. If land uses change or the existing parcels are re-subdivided, the assessment may be allocated to each new assessor's parcels in proportion to the original assessment based on the net acreage of each new assessor's parcel.

#### 2. Benefit Analysis

##### ***Development Impact Fees***

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied development impact fees. The impact fees are imposed on a per lot basis and the fees are in turn based on a Nexus study that also incorporates the principles of strict proportionality and fairness and is required to identify and apportion only direct benefits related to the benefit area defined. The per parcel fee, by definition, is the fair share contribution of the parcel to mitigate the impact of that parcel on the defined public facilities. Therefore, with regard to this assessment, the impact fee component of this assessment is considered to be 100% special benefit.

The assessments for this development will be placed onto the currently existing Assessor's Parcels on which the development is located pro rata, across the seventy-two (72) residential units.

##### ***Capital Improvements***

The method of apportionment established for the Pillsbury Estates/Orchard Park (Phase II) development reflects the proportional special benefit that each property receives from the improvements. For this residential development, it has been determined that the benefit to each of the seventy-two (72) single family residential lots is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the single family residential property and divided by the total number

of approved single family residential units within the District, or one equivalent benefit unit (EBU) for each proposed single-family residential unit. The assessments for this development will be placed onto the currently existing Assessor's Parcels on which the development is located.

The construction of the improvements associated with the Pillsbury Estates/Orchard Park (Phase II) development provides a direct and special benefit to the properties in the development, for the ultimate purposes of ingress/egress, access, utility service, and drainage. The lots in the development could not be created nor the special benefit enjoyed by the ultimate lot owners without the construction of these improvements, which were required in order for the property to be developed.

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

Roadway improvements are typically computed on the basis of anticipated trip generation. Because Pillsbury Estates/Orchard Park Phase II generally contains 72 residential lots that need Buena Vista Avenue, Azevedo Avenue, and Mono Street to access Pillsbury Road, each of which generates the same average daily trips ("ADT"), the Equivalent Benefit Unit ("EBU") assigned to each lot is 1.0.

The storm drainage, park, landscaping, sewer, and water improvements are typically apportioned by lot or area, as discussed above.

#### D. Conclusion

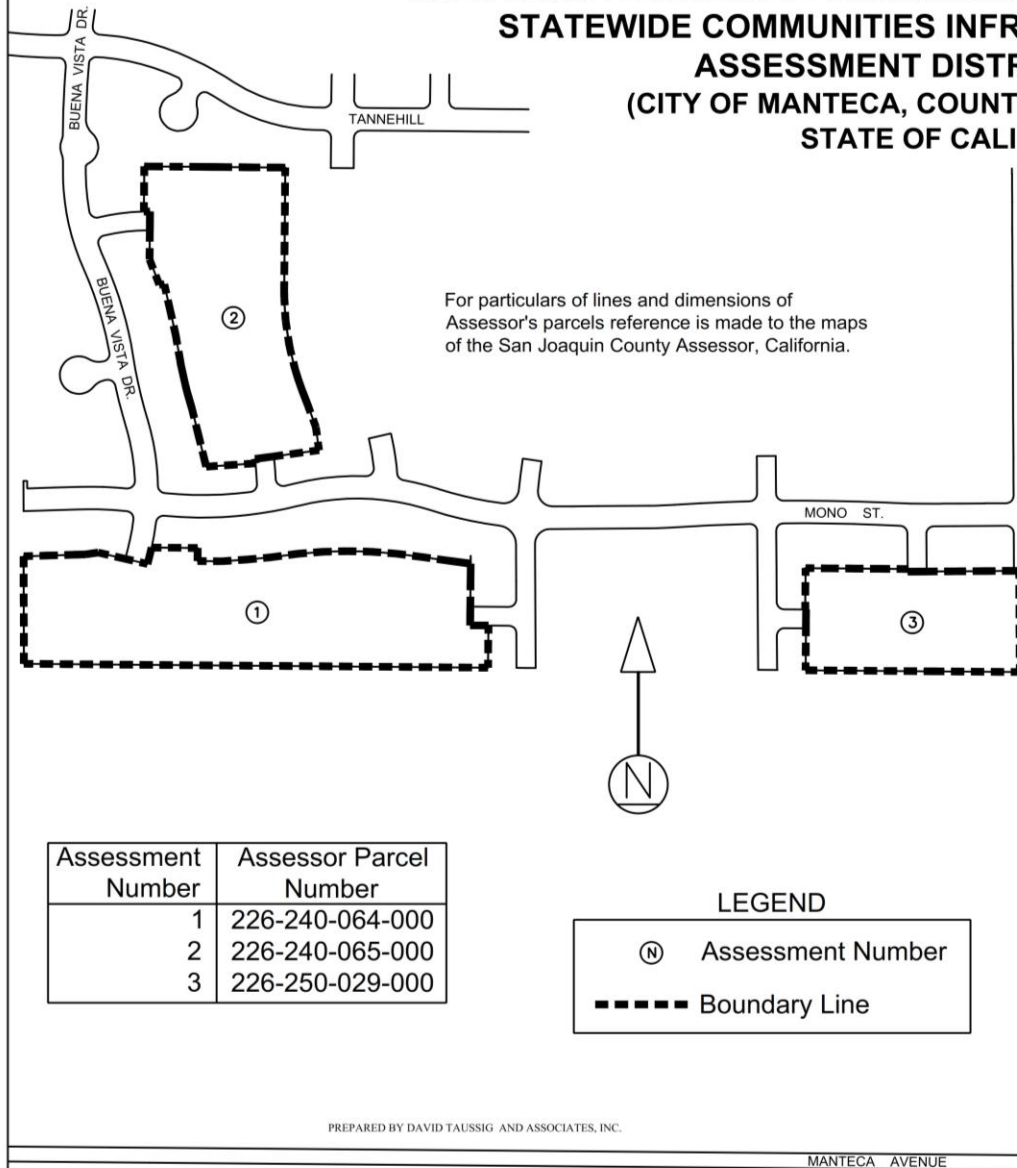
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement, herein defined as Improvements and Impact Fees and identified in Section V, in compliance with the requirements of Article XIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, will be filed and recorded at the County of San Joaquin Recorder's office (Document No: \_\_\_\_\_). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. 14-02  
(CITY OF MANTECA, COUNTY OF SAN JOAQUIN)  
STATE OF CALIFORNIA**



Filed this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, at the hour of \_\_\_\_\_ o'clock \_\_\_\_ m., in book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_ in the office of the Recorder of the County of San Joaquin, State of California.

\_\_\_\_\_  
By Deputy,  
County Recorder, County of San Joaquin

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Superintendent of Streets  
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority, Statewide Communities Infrastructure Program, Assessment District No. 14-02 (City of Manteca, County of San Joaquin), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by its resolution No. \_\_\_\_\_.

\_\_\_\_\_  
Secretary of the Authority  
California Statewide Communities Development Authority

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Francisco-Oakland-San Jose area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) equals \$1,545,376.

The County of San Joaquin's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) totals \$275,463.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) totals \$137,732.

The value-to-lien based on the County of San Joaquin's assessed value for all properties located in the District is 0.18 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) and will be incorporated into the Final Engineer's Report and/or Official Statement for any bonds to be issued that are secured by the District.

[http://localhost:9010/resources/Clients/SCIP/Manteca \(Pillsbury Estates\) Phase II/Engineer's Report/CSCDA AD No. 14-02 \(San Joaquin County\) Engineer's Report Preliminary 08.01.2014\) v.2.docx](http://localhost:9010/resources/Clients/SCIP/Manteca (Pillsbury Estates) Phase II/Engineer's Report/CSCDA AD No. 14-02 (San Joaquin County) Engineer's Report Preliminary 08.01.2014) v.2.docx)

## **Attachment 1**

Assessment District No. 14-02  
California Statewide Communities Development Authority  
(Statewide Communities Infrastructure Program)  
City of Manteca, County of San Joaquin  
Orchard Park (Phase II)

Assessment Roll  
  
(Please see Section VI)



Public Finance  
Public Private Partnerships  
Urban Economics

2250 Hyde Street  
5<sup>th</sup> Floor  
San Francisco, CA 94109  
Phone (800) 969-4382



**RESOLUTION NO. 14R-\_\_\_\_\_**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL IMPROVEMENTS AND THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-02 (CITY OF MANTECA, COUNTY OF SAN JOAQUIN, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the “Improvements”) and the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) (the “Assessment District”); and

**WHEREAS**, the Commission finds that the land specially benefited by the financing of the Improvements and the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-02, City of Manteca, County of San Joaquin, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California)”;

**WHEREAS**, the City of Manteca is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1.       The above recitals are true and correct.

Section 2.       Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3.       The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIID of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Joaquin within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the Improvements and the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

## EXHIBIT A

### DESCRIPTION OF WORK

The payment of development impact fees levied within the District and capital improvements to be acquired and owned by the City of Manteca upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

#### PAYMENT OF IMPACT FEES

1. Park Acquisition & Improvement Fees
2. WQCF Phase III Completion Charge, Low Density
3. Public Facilities Implementation Plan Sewer Fees, Low Density, Zone 24
4. PFIP Storm Drainage Fees, Low Density, Zone 36
5. PFIP Well Water Fees, Low Density
6. Sewer Connection, Phase III
7. Water Meter Installation

#### CAPITAL IMPROVEMENTS

1. Street / Roadway Improvements
2. Storm Drain Improvements
3. Sanitary Sewer Improvements
4. Water Improvements
5. Landscaping

**RESOLUTION NO. 14R-\_\_\_\_\_**

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,  
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING  
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY  
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-02 (CITY  
OF MANTECA, COUNTY OF SAN JOAQUIN, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the "Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on October 9, 2014, at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of development impact fees and public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees and/or public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5<sup>th</sup> Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this 7th day of August, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

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## SUMMARY AND APPROVALS

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<b>PROGRAM:</b>	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")
<b>PURPOSE:</b>	NO. 14-01 CITY OF CALIMESA, COUNTY OF RIVERSIDE ASSESSMENT DISTRICT  1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF IMPACT FEES, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP  2. RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
<b>PRIMARY ACTIVITY:</b>	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")

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SCIP has received an application in the City of Calimesa, County of Riverside to finance the payment of impact fees.

The amount of bonds to be issued will not exceed \$12,000,000 with a proposed closing date in the fall of 2014. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for October 9, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer's report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer's report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Yucaipa Valley Water District

The impact fees include water reservoir facilities fees. Fees total \$8,254,000

**Approvals:**

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for October 9, 2014 at 10:00 a.m. at the League of California Cities.



**PRELIMINARY**

**ENGINEER'S REPORT**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01  
YUCAIPA VALLEY WATER DISTRICT  
COUNTY OF RIVERSIDE**

***BEGINNING FISCAL YEAR 2014-2015***

**INTENT MEETING: AUGUST 7, 2014**

**PUBLIC HEARING: OCTOBER 9, 2014**

**Prepared by**

DAVID TAUSSIG & ASSOCIATES, INC.  
2250 Hyde Street, 5th Floor  
San Francisco, California 94109  
(800) 969-4382

Newport Beach  
San Francisco  
Fresno  
Riverside  
Chicago, Illinois  
Dallas, Texas

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**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

Scott Carper  
*California Statewide Communities Development Authority*

**PROFESSIONAL SERVICES**

**UNDERWRITER**  
Robert Williams  
*RBC Capital Markets Corporation*

**BOND COUNSEL**  
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**PROGRAM ADMINISTRATOR**  
Daniel Chang  
*BLX Group, LLC*

**ASSESSMENT ENGINEERING**  
David Taussig  
Stephen A. Runk, P.E.  
Nathan D. Perez, Esq.  
*David Taussig & Associates, Inc.*

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### APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: \_\_\_\_\_, 2014

David Taussig & Associates, Inc.

By: \_\_\_\_\_  
Stephen A. Runk, P.E.  
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Superintendent of Streets of the Authority,  
California Statewide Communities  
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. \_\_\_\_\_, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIII D of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

### **A. Development Fees**

- 1 Water Reservoir Facilities Fee (*South Calimesa Water Study, Zone 12, dated July 10, 2014*) – Water development fees to fund capital improvements to the Yucaipa Valley Water District's water storage system.

At this time, there are no capital improvements which are the subject of this Report.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

**Plans and Specifications** – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

**Cost Estimate** – An estimate of the cost of the improvements.

**Assessment Roll** – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor's Parcel number or other designation describes each parcel. Each parcel is also assigned an "assessment number" that links the Assessment Roll to the Assessment Diagram.

**Method of Assessment** – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

**Assessment Diagram** – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

**Administration** – Proposed maximum annual assessment per parcel for current costs and expenses.

**Debt Limitation Report** – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the Yucaipa Valley Water District ("Water District") and/or the County of Riverside, California.

## Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the Yucaipa Valley Water District, and the SCIP Administrator.

<b>Cost Estimate</b> <b>Yucaipa Valley Water District, City of Calimesa, County of Riverside</b>					
Developer/Description	Development Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
<b>San Gorgonio Land</b>	\$3,657,000	100%	\$3,657,000	\$0	\$3,657,000
<b>Oak Valley Partners</b>	\$638,000	100%	\$638,000	\$0	\$638,000
<b>Mesa Verde Estates</b>	\$3,438,000	100%	\$3,438,000	\$0	\$3,438,000
<b>Northlight</b>	\$521,000	100%	\$521,000	\$0	\$521,000
<b>Subtotal</b>	<b>\$8,254,000</b>		<b>\$8,254,000</b>	<b>\$0</b>	<b>\$8,254,000</b>
<b>Professional Services</b>					
<b>San Gorgonio Land</b>					
Assessment Engineer	\$19,454		\$19,454	\$0	\$19,454
Appraiser	\$14,590		\$14,590	\$0	\$14,590
District Administration	\$24,317		\$24,317	\$0	\$24,317
<b>Oak Valley Partners</b>					
Assessment Engineer	\$1,496		\$1,496	\$0	\$1,496
Appraiser	\$1,122		\$1,122	\$0	\$1,122
District Administration	\$1,871		\$1,871	\$0	\$1,871
<b>Mesa Verde Estates</b>					
Assessment Engineer	\$18,209		\$18,209	\$0	\$18,209
Appraiser	\$13,657		\$13,657	\$0	\$13,657
District Administration	\$22,762		\$22,762	\$0	\$22,762
<b>Northlight</b>					
Assessment Engineer	\$841		\$841	\$0	\$841
Appraiser	\$631		\$631	\$0	\$631
District Administration	\$1,051		\$1,051	\$0	\$1,051
<b>Subtotal</b>	<b>\$120,000</b>		<b>\$8,374,000</b>	<b>\$0</b>	<b>\$120,000</b>
<b>Financing Costs</b>					
Bond Reserve Fund	8.00%		\$893,346	-	-
Capitalized Interest (24 Mos.)	12.00%		\$1,340,019	-	-
Legal	1.00%		\$111,668	-	-
Issuer	1.50%		\$167,502	-	-
Underwriter	2.50%		\$279,171	-	-
Contingency	0.01%		\$1,117	-	-
<b>Subtotal</b>	<b>25.01%</b>		<b>\$2,792,822</b>	<b>-</b>	<b>-</b>
<b>Total Assessment</b>			<b>\$11,166,822</b>		



An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Fees, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, as provided in **Appendix A**, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of Riverside Assessor, and the SCIP Administrator.

## A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Development Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Development Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Development Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Development Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-01 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing, the Authority must make the final action in determining that the assessment has been made

in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

## B. Special Benefit

### 1. Development Fees

Development fees are neither taxes nor special assessments. Because development fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The use of development fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging these fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. All capital development fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

## C. Apportionment

The assessments for each of the four (4) developments –San Gorgonio Land, Oak Valley, Mesa Verde, and Northlight – will be apportioned by each respective development’s initial assessment burden, as shown in Section VI (Assessment Roll), and then on a pro rata basis within each development based on the projected acreage/square feet of any residential and non-residential land uses within such development as described on the following pages.

### 1. Benefiting Properties within the District

At the time this Report was prepared, the four (4) developments comprising this District – San Gorgonio Land, Oak Valley, Mesa Verde, and Northlight - consisted of the Assessor’s Parcels as specified in Section VI and Appendix A, which encompass a current total gross acreage of 852.40 acres. The developments can be generally described as follows:

- A. San Gorgonio Land – The project is potentially expected to encompass up to 1,365 residential units when completed and will be broken down into a mixed use development of single family detached and attached dwelling units.

- B. Oak Valley – The property is zoned community commercial. The portion of the property in the Zone 12 fee area is 30+ acres net of streets and right-of-way dedications.
- C. Mesa Verde – For purposes of this analysis, the project is expected to encumber 1,083 residential dwelling units when completed and will be broken down into three (3) phases that cover a total of four (4) parcels. Phase 1 will consist of 234 units, Phase 2 will be the largest component with 518 units, and Phase 3 will complete the project with the remaining 331 units.
- D. Northlight – The project is a 16+ acre retail development, consisting of seven (7) parcels.

Each parcel will have certain fees funded through SCIP and will be assessed for such fees financed through the District. If building plans change or the existing parcels are not subdivided as planned, the assessment may be allocated to each new assessor's parcels in proportion to the original assessment based on the acreage of each assessor's parcel.

## 2. Benefit Analysis

### ***Development Fees***

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed fees. The assessments for this development will be apportioned onto the existing Assessor's Parcels on which the development is located based: first, on each development's projected share of the overall development fee burden, and thus the initial District assessment; and second, pro-rata by development, based on the projected acreage/square feet noted in the Project documentation, as referenced in Section IV.

The assessments for this development will be initially placed onto the currently existing Assessor's Parcels on which the development is located based on the percentages specified in the South Calimesa Water Study, Zone 12 Potable Water Storage (Storage Requirements and Cost Allocation), dated July 10, 2014, as prepared by the Water District's hydrology engineer Krieger & Stewart, Inc. Key elements of this study are as follows:

Entity	Total EDU's	Total Storage Gallons	% of Total to Each Party	% of Cost to Each Party
<b>San Geronimo Land</b>	1,157	2,284,909	38.08%	\$3,657,000
<b>Oak Valley Partners</b>	89	398,727	6.65%	\$638,000
<b>Mesa Verde Estates</b>	1,083	2,147,909	35.80%	\$3,438,000
<b>Northlight</b>	50	325,727	5.43%	\$521,000
<b>YVWD</b>	0	842,727	14.05%	\$1,349,000
	<b>2,379</b>	<b>5,999,999</b>	<b>100.00%</b>	<b>\$9,603,000</b>

If the existing parcels are subdivided at a future date, the assessments will be apportioned between the new Assessor's Parcels in proportion to the new acreage/square feet in each parcel and within each development, subject to the initial bifurcation of the assessment burden between the four (4) projects. In the absence of land use information at the time of the reapportionment, the original assessment may be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

#### D. Conclusion

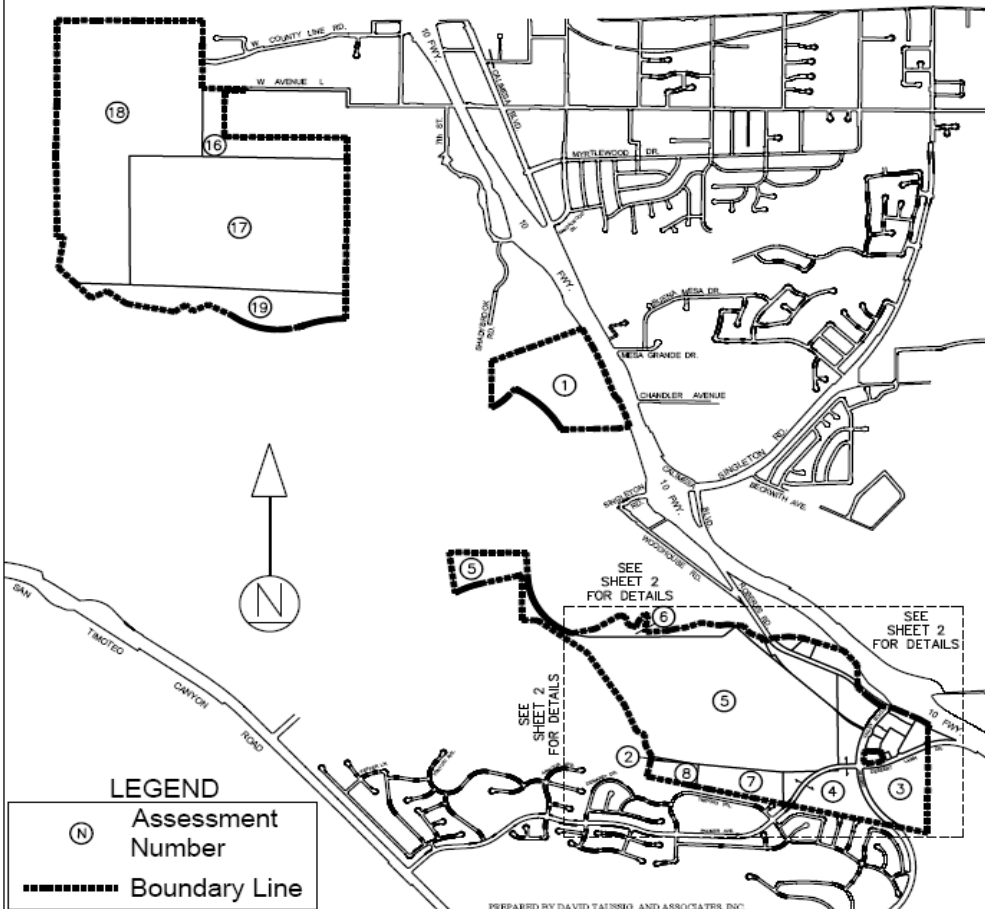
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement, herein defined as Improvements and Development Fees and identified in Section V, in compliance with the requirements of Article XIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, has been filed and recorded at the County of Riverside Recorder's office (Document No: \_\_\_\_\_). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram on the following page will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 2

**PROPOSED BOUNDARIES OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. 14-01  
COUNTY OF RIVERSIDE (YUCAIPA VALLEY WATER DISTRICT)  
STATE OF CALIFORNIA**



Filed this \_\_\_\_\_ day of \_\_\_\_\_, 2014, at the hour of \_\_\_\_\_ o'clock \_\_\_\_\_ m., in book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_ in the office of the Recorder of the County of Riverside, State of California.

By Deputy,  
County Recorder, County of Riverside

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Superintendent of Streets  
California Statewide Communities Development Authority

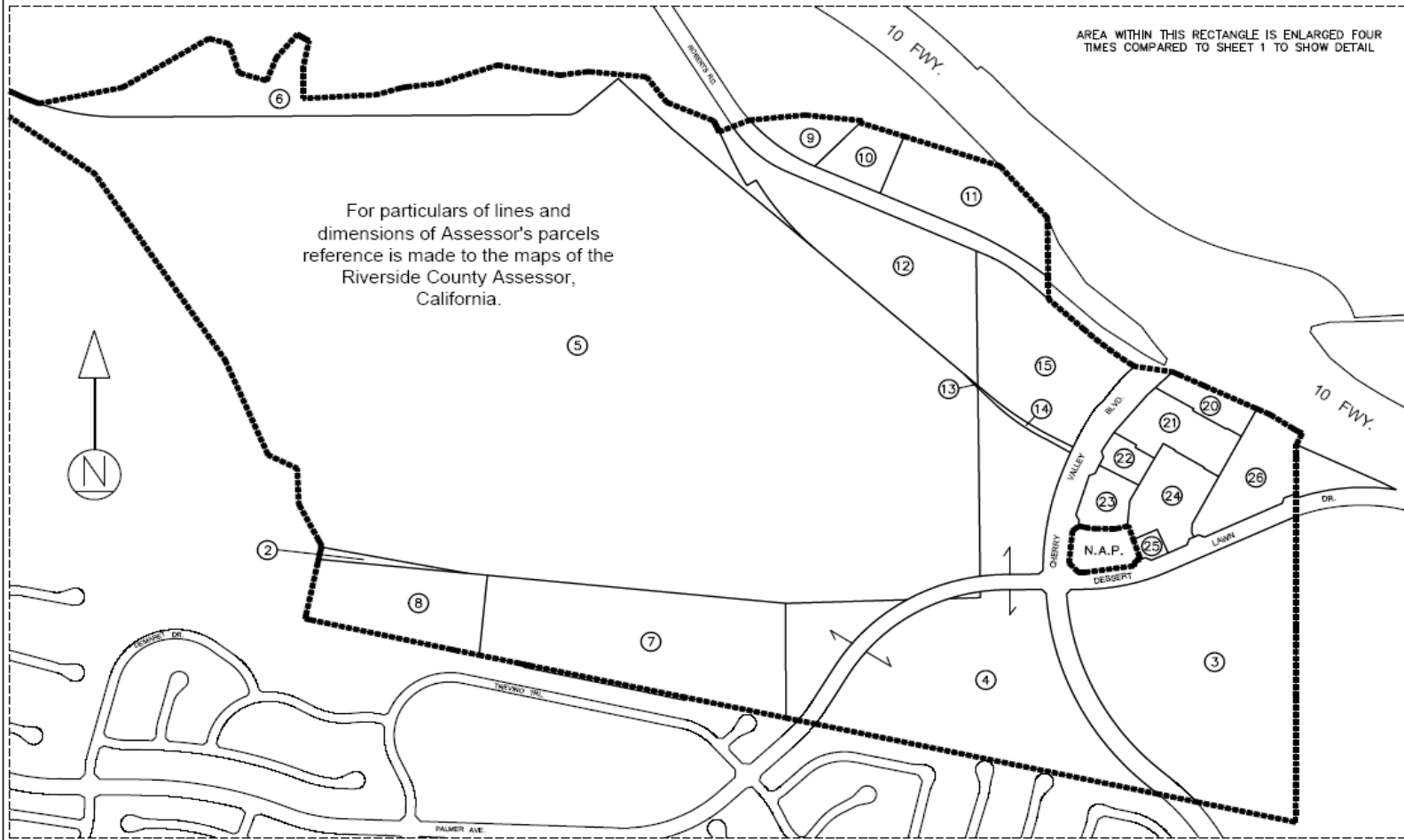
I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority Statewide Communities Infrastructure Program Assessment District No. 14-01, County of Riverside (Yucaipa Valley Water District), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by its resolution No. \_\_\_\_\_.

Secretary of the Authority  
California Statewide Communities Development Authority



SHEET 2 OF 2

**PROPOSED BOUNDARIES OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. 14-01  
COUNTY OF RIVERSIDE (YUCAIPA VALLEY WATER DISTRICT)  
STATE OF CALIFORNIA**



	Assessment Number	Assessor Parcel Number
San Geronimo Land	1	413200058
	2	413290010
	3	413290035
	4	413290036
	5	413290037
	6	413290038
	7	413460038
	8	413460040
Oak Valley Partners	9	413280040
	10	413280041
	11	413280042
	12	413290048
	13	413290034
	14	413290040
	15	413290044
	16	413040013
Mesa Verde Estates	17	413040017
	18	413040020
	19	413160011
	20	413780001
	21	413780002
	22	413780003
	23	413780004
	24	413780006
Northlight	25	413780007
	26	413780008



In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the Los Angeles-Riverside-Orange County area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) equals \$11,166,822.

The County of Riverside's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) totals \$24,770,541.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) totals \$12,385,271.

The value-to-lien based on the County of Riverside's assessed value for all properties located in the District is 2.22 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) and will be incorporated into the Final Engineer's Report and/or Official Statement for any bonds to be issued that are secured by the District.

[http://localhost:9010/resources/Clients/SCIP/Yucaipa VWD/Engineer's Report/CSCDA AD No 14-01 \(YVWD\) Engineer's Report \(Preliminary 08.01.14\) v.12.docx](http://localhost:9010/resources/Clients/SCIP/Yucaipa VWD/Engineer's Report/CSCDA AD No 14-01 (YVWD) Engineer's Report (Preliminary 08.01.14) v.12.docx)

## **Appendix A**

Assessment District No. 14-01  
California Statewide Communities Development Authority  
(Statewide Communities Infrastructure Program)  
Yucaipa Valley Water District, County of Riverside

Assessment Roll

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Assessment Roll							
Yucaipa Valley Water District, City of Calimesa, County of Riverside							
Assessment No.	Developer / Project	Assessor Parcel Numbers	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	San Gorgonio Land	413200058	\$1,979,881	66.82	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$827,935	-
2		413290010	\$17,686	0.58	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$7,187	-
3		413290035	\$876,016	29.56	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$366,264	-
4		413290036	\$984,218	33.22	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$411,613	-
5		413290037	\$6,682,489	225.57	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$2,794,930	-
6		413290038	\$474,422	16.00	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$198,248	-
7		413460038	\$580,543	19.58	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$242,606	-
8		413460040	\$252,817	8.53	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$105,691	-
9	Oak Valley Partners	413280040	\$56,579	1.91	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$47,529	-
10		413280041	\$43,560	2.24	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$55,741	-
11		413280042	\$137,300	6.86	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$170,706	-
12		413290048	\$65,436	12.58	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$313,045	-
13		413290034	\$52	0.01	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$249	-
14		413290040	\$1,736	0.32	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$7,963	-
15		413290044	\$57,096	10.51	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$261,534	-
16	Mesa Verde Estates	413040013	\$1,042,764	44.72	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$518,307	-
17		413040017	\$5,379,817	230.70	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$2,673,823	-
18		413040020	\$1,697,825	72.81	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$843,871	-
19		413160011	\$1,250,304	53.62	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$621,458	-
20	Northlight	413780001	\$320,000	1.63	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$69,984	-
21		413780002	\$680,000	3.47	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$148,984	-
22		413780003	\$200,000	1.01	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$43,364	-
23		413780004	\$340,000	1.71	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$73,419	-
24		413780006	\$700,000	3.58	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$153,707	-
25		413780007	\$80,000	0.41	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$17,603	-
26		413780008	\$870,000	4.45	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$191,061	-
Total			\$24,770,541	852.40		\$11,166,822	-



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Public Private Partnerships  
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2250 Hyde Street  
5<sup>th</sup> Floor  
San Francisco, CA 94109  
Phone (800) 969-4382

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE THE PAYMENT OF FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01 (YUCAIPA VALLEY WATER DISTRICT, COUNTY OF RIVERSIDE, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) (the “Assessment District”); and

**WHEREAS**, the Commission finds that the land specially benefited by the financing of the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01, Yucaipa Valley Water District, County of Riverside, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California)”;

**WHEREAS**, the Yucaipa Water Valley District is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

**WHEREAS**, the Assessment District is wholly located within the boundaries of the City of Calimesa (the “City”);

**WHEREAS**, pursuant to Section 10104 of the Code, the City has consented to the levy of the assessments, the adoption of this Resolution of Intention, and the formation of the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1.       The above recitals are true and correct.

Section 2.       Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIID of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of Riverside within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority



## EXHIBIT A

### DESCRIPTION OF WORK

The payment of fees levied by the Yucaipa Water Valley District upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

#### PAYMENT OF IMPACT FEES

1. Water Reservoir Facilities Fee

**RESOLUTION NO. 14R-\_\_\_\_\_**

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,  
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING  
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY  
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01  
(YUCAIPA VALLEY WATER DISTRICT, COUNTY OF RIVERSIDE,  
CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as "the Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on October 9, 2014 at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of fees for public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of fees for public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

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## SUMMARY AND APPROVALS

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<b>PROGRAM:</b>	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")
<b>PURPOSE:</b>	NO. 14-03 CITY OF ROCKLIN, COUNTY OF PLACER ASSESSMENT DISTRICT  1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF IMPACT FEES, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP  2. RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
<b>PRIMARY ACTIVITY:</b>	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")

---

SCIP has received an application in the city of Rocklin, County of Placer to finance the payment of impact fees.

The amount of bonds to be issued will not exceed \$500,000 with a proposed closing date in the fall of 2014. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for October 9, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer's report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer's report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Granite Terrace

The impact fees include local traffic fees & South Placer Regional traffic fees. Fees total \$312,198.

**Approvals:**

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for October 9, 2014 at 10:00 a.m. at the League of California Cities.

**PRELIMINARY**

**ENGINEER'S REPORT**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-03  
CITY OF ROCKLIN, COUNTY OF PLACER**

***BEGINNING FISCAL YEAR 2014-2015***

**INTENT MEETING: AUGUST 7, 2014**

**PUBLIC HEARING: OCTOBER 9, 2014**

**Prepared by**

DAVID TAUSSIG & ASSOCIATES, INC.  
2250 Hyde Street, 5th Floor  
San Francisco, California 94109  
(800) 969-4382

Newport Beach  
San Francisco  
Fresno  
Riverside  
Chicago, Illinois  
Dallas, Texas

---

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

Scott Carper  
*California Statewide Communities Development Authority*

**PROFESSIONAL SERVICES**

**UNDERWRITER**  
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*RBC Capital Markets Corporation*

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**PROGRAM ADMINISTRATOR**  
Daniel Chang  
*BLX Group, LLC*

**ASSESSMENT ENGINEERING**  
David Taussig  
Stephen A. Runk, P.E.  
Nathan D. Perez, Esq.  
*David Taussig & Associates, Inc.*

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### APPENDICES

Appendix A: ASSESSMENT ROLL



The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: \_\_\_\_\_, 2014

David Taussig & Associates, Inc.

By: \_\_\_\_\_  
Stephen A. Runk, P.E.  
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Superintendent of Streets of the Authority,  
California Statewide Communities  
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Rocklin, County of Placer, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. \_\_\_\_\_, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

### **A. Impact Fees**

- 1 Local Traffic Fees (*Resolution No. 2011-125*) – Traffic impact fees to fund capital improvements to the City of Rocklin's roadway and traffic system.
- 2 South Placer Regional Traffic Fees (*Resolution No. 2008-02*) – Fees collected against new development to fund street improvements dedicated to and maintained by the County of Placer.

At this time, there are no capital improvements which are the subject of this Report.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

**Plans and Specifications** – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

**Cost Estimate** – An estimate of the cost of the improvements.

**Assessment Roll** – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor's Parcel number or other designation describes each parcel. Each parcel is also assigned an "assessment number" that links the Assessment Roll to the Assessment Diagram.

**Method of Assessment** – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

**Assessment Diagram** – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

**Administration** – Proposed maximum annual assessment per parcel for current costs and expenses.

**Debt Limitation Report** – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Rocklin and/or the County of Placer, California.

## Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of Rocklin, and the SCIP Administrator.

Cost Estimate City of Rocklin, County of Placer - Granite Terrace					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
<b>Granite Terrace Impact Fees</b>					
Local Traffic Fee	\$154,734	100%	\$154,734	\$0	\$154,734
South Placer Regional Traffic Fee	\$78,515	100%	\$78,515	\$0	\$78,515
<b>Subtotal</b>	<b>\$233,249</b>	<b>NA</b>	<b>\$233,249</b>	<b>\$0</b>	<b>\$233,249</b>
<b>Professional Services</b>					
<b>Granite Terrace</b>					
Assessment Engineer	\$4,600	100%	\$4,600	\$0	\$4,600
Appraiser	\$5,000	100%	\$5,000	\$0	\$5,000
District Administration	\$10,000	100%	\$10,000	\$0	\$10,000
<b>Subtotal</b>	<b>\$19,600</b>	<b>NA</b>	<b>\$19,600</b>	<b>\$0</b>	<b>\$252,849</b>
<b>Financing Costs</b>					
Bond Reserve Fund	8.00%		\$24,976	-	-
Capitalized Interest	6.00%		\$18,732	-	-
Legal	1.00%		\$3,122	-	-
Issuer	1.50%		\$4,683	-	-
Underwriter	2.50%		\$7,805	-	-
Contingency	0.01%		\$31	-	-
<b>Subtotal</b>	<b>19.01%</b>		<b>\$59,349</b>	<b>-</b>	<b>-</b>
<b>Total Assessment</b>			<b>\$312,198</b>		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, as shown below, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of Placer Assessor, and the SCIP Administrator.

Assessment Roll							
City of Rocklin, County of Placer - Granite Terrace							
Assessment No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Granite Terrace	045-101-066-000	\$477,156	7.30	Nicksam Properties LLC 4910 Ketchum Court, Granite Bay, CA 95746	\$296,969	-
2	Granite Terrace	045-101-044-000	\$78,384	0.28	Nicksam Properties LLC 4910 Ketchum Court, Granite Bay, CA 95746	\$15,229	-
Total			\$555,540	7.58		\$312,198	-

## A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-03 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing, the Authority must make the final action in determining that the assessment has been made

in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

## B. Special Benefit

### 1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the California Mitigation Fee Act (the “Act” or “AB 1600”). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connecting to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:



- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.*
- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
  - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate 100% “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Rocklin, the County of Placer, California, and/or associated public agencies in the region.

## 2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. However, at this time, there are no capital improvements which are the subject of this Report.

## C. Apportionment

The assessment for this development will be apportioned between the two (2) existing Assessor’s Parcels on which the development is located based on projected lot counts. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels may be apportioned as described on the following pages.

### 1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of Assessor's Parcels 045-101-066-000 and 045-101-044-000, which encompass a current total gross acreage of 7.58 acres. The property is located in a residential zoned area of the City. The development will consist only of 41 single-family residential units.

### 2. Benefit Analysis

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto the two (2) existing Assessor's Parcel on which the development is located based on information provided by Placer County and the Project proponents, which at this time indicates 39 units will be developed on Assessor's Parcel 045-101-066-000 and 2 units will be developed on Assessor's Parcel 045-101-044-000.

If the existing parcel is subdivided at a future date and not as planned above, the original assessment may be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

## D. Conclusion

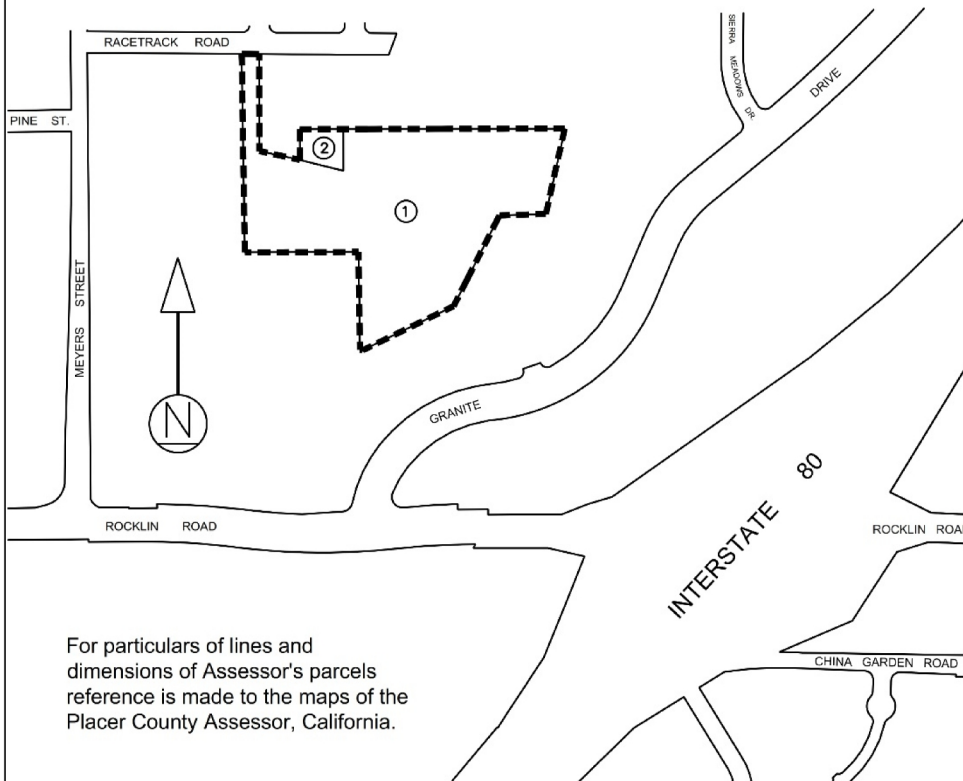
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement, herein defined as Improvements and Impact Fees and identified in Section V, in compliance with the requirements of Article XIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, has been filed and recorded at the County of Placer Recorder's office (Document No: \_\_\_\_\_). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram on the following page will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. 14-03  
(CITY OF ROCKLIN, COUNTY OF PLACER)  
STATE OF CALIFORNIA**



**LEGEND**

- (N) Assessment Number
- Boundary Line

Assessment Number	Assessor Parcel Number
1	045-101-066-000
2	045-101-044-000

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

Filed this \_\_\_\_\_ day of \_\_\_\_\_, 2014, at the hour of \_\_\_\_\_ o'clock \_\_\_\_ m., in book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_ in the office of the Recorder of the County of Placer, State of California.

By Deputy,  
County Recorder, County of Placer

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Superintendent of Streets  
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority Assessment District No. 14-03 (City of Rocklin, County of Placer), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by its resolution No. \_\_\_\_\_.

Secretary of the Authority  
California Statewide Communities Development Authority

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Francisco-Oakland-San Jose area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) equals \$312,198.

The County of Placer's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) totals an estimated \$555,540.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) totals \$277,270.

The value-to-lien based on the County of Placer's assessed value for all properties located in the District is 1.78 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) and will be incorporated into the Final Engineer's Report and/or Official Statement for any bonds to be issued that are secured by the District.

[http://localhost/resources/home/Clients/SCIP/Rocklin \(Granite Terrace\)/Engineer's Report/AD No. 14-03 \(Placer County\) v. 1.docx](http://localhost/resources/home/Clients/SCIP/Rocklin%20(Granite%20Terrace)/Engineer's%20Report/AD%20No.%2014-03%20(Placer%20County)%20v.%201.docx)

## APPENDIX A

Assessment District No. 14-03  
California Statewide Communities Development Authority  
(Statewide Communities Infrastructure Program)  
City of Rocklin, County of Placer

Assessment Roll

(Please See Section VI)

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Public Finance  
Public Private Partnerships  
Urban Economics

2250 Hyde Street  
5<sup>th</sup> Floor  
San Francisco, CA 94109  
Phone (800) 969-4382



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO. 14-03 (COUNTY OF PLACER, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Assessment District No. 14-03 (County of Placer, California) (the “Assessment District”); and

**WHEREAS**, the Commission finds that the land specially benefited by the financing of the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Assessment District No. 14-03, City of Rocklin, County of Placer, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Assessment District No. 14-03 (City of Rocklin, County of Placer, California)”;

**WHEREAS**, the City of Rocklin is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1.       The above recitals are true and correct.

Section 2.       Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3.       The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIID of the California Constitution.

Section 4.       The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of Placer within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

## EXHIBIT A

### DESCRIPTION OF WORK

The payment of development impact fees levied by the City of Rocklin upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

#### PAYMENT OF IMPACT FEES

1. Local Traffic Fees
2. South Placer Regional Traffic Fees

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,  
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND  
PROVIDING FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
ASSESSMENT DISTRICT NO. 14-03 (CITY OF ROCKLIN, COUNTY OF  
PLACER, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Assessment District No. 14-03 (City of Rocklin, County of Placer, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as "the Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on October 9, 2014, at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of development impact fees, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5<sup>th</sup> Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
                    Authorize Signatory  
                    California Statewide Communities  
                    Development Authority

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## SUMMARY AND APPROVALS

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<b>PROGRAM:</b>	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")
<b>PURPOSE:</b>	NO. 14-03 CITY OF SAN DIEGO, COUNTY OF SAN DIEGO ASSESSMENT DISTRICT  1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF IMPACT FEES, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP  2. RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
<b>PRIMARY ACTIVITY:</b>	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")

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SCIP has received an application in the City of San Diego, County of San Diego to finance the payment of impact fees.

The amount of bonds to be issued will not exceed \$5,000,000 with a proposed closing date in the fall of 2014. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for October 9, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer's report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer's report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Cornerstone

The impact fees include facilities benefit assessments which include Otay Mesa transportation & park fees. Fees total \$1,025,703

**Approvals:**

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for October 9, 2014 at 10:00 a.m. at the League of California Cities.



**PRELIMINARY**

**ENGINEER'S REPORT**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-03  
CITY OF SAN DIEGO, COUNTY OF SAN DIEGO**

***BEGINNING FISCAL YEAR 2014-2015***

**INTENT MEETING: AUGUST 7, 2014**

**PUBLIC HEARING: OCTOBER 9, 2014**

**Prepared by**

DAVID TAUSSIG & ASSOCIATES, INC.  
2250 Hyde Street, 5th Floor  
San Francisco, California 94109  
(800) 969-4382

Public Finance  
Public Private Partnerships  
Urban Economics

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Newport Beach  
San Francisco  
Fresno  
Riverside  
Chicago, Illinois  
Dallas, Texas

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**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

Scott Carper  
*California Statewide Communities Development Authority*

**PROFESSIONAL SERVICES**

**UNDERWRITER**  
Robert Williams  
*RBC Capital Markets Corporation*

**BOND COUNSEL**  
John Knox, Esq.  
*Orrick, Herrington & Sutcliffe LLP*

**PROGRAM ADMINISTRATOR**  
Daniel Chang  
*BLX Group, LLC*

**ASSESSMENT ENGINEERING**  
David Taussig  
Stephen A. Runk, P.E.  
Nathan D. Perez, Esq.  
*David Taussig & Associates, Inc.*

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### APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: \_\_\_\_\_, 2014

David Taussig & Associates, Inc.

By: \_\_\_\_\_  
Stephen A. Runk, P.E.  
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Assistant to Secretary of the Authority,  
California Statewide Communities  
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Superintendent of Streets of the Authority,  
California Statewide Communities  
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 14-\_\_\_\_\_, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

### **A. Impact Fees & Facilities Benefit Assessments**

- 1 The Otay Mesa Public Facilities Financing Plan and Facilities Benefit Assessment (“FBA”) (Resolution No. R-308811) provides funds for public facilities which serve the designated area of benefit in the Otay Mesa community of the City of San Diego (Resolution No. R-308901). The Project Developer will be paying Otay Mesa Multi-Family Dwelling Unit fees for Transportation and Parks.

At this time, there are no capital improvements which are the subject of this Report.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

**Plans and Specifications** – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

**Cost Estimate** – An estimate of the cost of the improvements.

**Assessment Roll** – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor’s Parcel number or other designation describes each parcel. Each parcel is also assigned an “assessment number” that links the Assessment Roll to the Assessment Diagram.

**Method of Assessment** – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

**Assessment Diagram** – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

**Administration** – Proposed maximum annual assessment per parcel for current costs and expenses.

**Debt Limitation Report** – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of San Diego and/or the County of San Diego, California.

## Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the Project proponents, the City of San Diego, and the SCIP Administrator.

Cost Estimate City of San Diego, County of San Diego - Cornerstone					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
<b>Cornerstone Impact Fees (Multi-Family)</b>					
Otay Mesa Facilities - Transportation	\$3,398,409	100%	\$3,398,409	\$0	\$3,398,409
Otay Mesa Facilities - Parks	\$1,482,894	100%	\$1,482,894	\$0	\$1,482,894
<b>Subtotal</b>	<b>\$4,881,303</b>	<b>NA</b>	<b>\$4,881,303</b>	<b>\$0</b>	<b>\$4,881,303</b>
<b>Developer Contribution</b>					
	(\$1,025,703)	100%	(\$1,025,703)	\$0.00	(\$1,025,703)
<b>Subtotal</b>	<b>(\$1,025,703)</b>	<b>NA</b>	<b>(\$1,025,703)</b>	<b>NA</b>	<b>(\$1,025,703)</b>
<b>Professional Services</b>					
Assessment Engineer	\$4,600	100%	\$4,600	\$0	\$4,600
Appraiser	\$5,000	100%	\$5,000	\$0	\$5,000
District Administration	\$10,000	100%	\$10,000	\$0	\$10,000
<b>Subtotal</b>	<b>\$19,600</b>	<b>NA</b>	<b>\$19,600</b>	<b>\$0</b>	<b>\$3,875,200</b>
<b>Financing Costs</b>					
Bond Reserve Fund	8.00%	NA	\$382,783	-	-
Capitalized Interest	6.00%	NA	\$287,087	-	-
Legal	1.00%	NA	\$47,848	-	-
Issuer	1.50%	NA	\$71,772	-	-
Underwriter	2.50%	NA	\$119,620	-	-
Contingency	0.01%	NA	\$478	-	-
<b>Subtotal</b>	<b>19.01%</b>	<b>NA</b>	<b>\$909,588</b>	<b>-</b>	<b>-</b>
<b>Total Assessment</b>			<b>\$4,784,788</b>		



An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, beginning below, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the Project proponents, the County of San Diego Assessor, and the SCIP Administrator.

Assessment Roll								
City of San Diego, County of San Diego - Cornerstone								
Assessment No.	Project	Assessor Parcel Number	Assessed Value	Parcel Acreage	Project Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Cornerstone	645-060-28-00	\$1,139,683	8.93	6.99	Southview LLC 8015 N. La Jolla Scenic Dr La Jolla, CA 92037	\$2,531,634	-
2	Cornerstone	645-080-17-00	\$6,178,304	34.81	5.88	Southview LLC 8015 N. La Jolla Scenic Dr La Jolla, CA 92037	\$2,253,154	-
Total			\$7,317,987	43.74	12.87		\$4,784,788	

## A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-03 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing, the Authority must make the final action in determining that the assessment has been made

in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

## B. Special Benefit

### 1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”). Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:

- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public*

*facilities, the facilities must be identified.*

- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
  - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of "special benefit" present in this Engineer's Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 "fair share" requirements also comprehensively demonstrate "special benefit." These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of San Diego, the County of San Diego, California, and/or associated public agencies in the region.

## 2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. However, at this time, there are no capital improvements which are the subject of this Report.

## C. Apportionment

The assessment for this development will be apportioned between the two (2) existing Assessor's Parcels on which the development is located based on projected lot counts. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels may be apportioned as described on the following pages.

### 1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of portions of Assessor's Parcels 645-060-28-00 and 654-080-17-00, which encompass a current total gross acreage of 43.74 acres, of which 12.87 will be developed as part of the Cornerstone Project. The property is located in a residential

zoned area of the City. The development will consist only of 189 multi-family units.

## 2. Benefit Analysis

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto portions of the two (2) existing Assessor's Parcel on which the development is located based on information provided by San Diego County and the Project proponents, which at this time indicates 100 units will be developed on Assessor's Parcel 645-060-28-00 and 89 units will be developed on Assessor's Parcel 645-080-17-00.

If the existing parcel is subdivided at a future date and not as planned above, the original assessment may be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

## D. Conclusion

In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement in compliance with the requirements of Article XIID of the California Constitution.

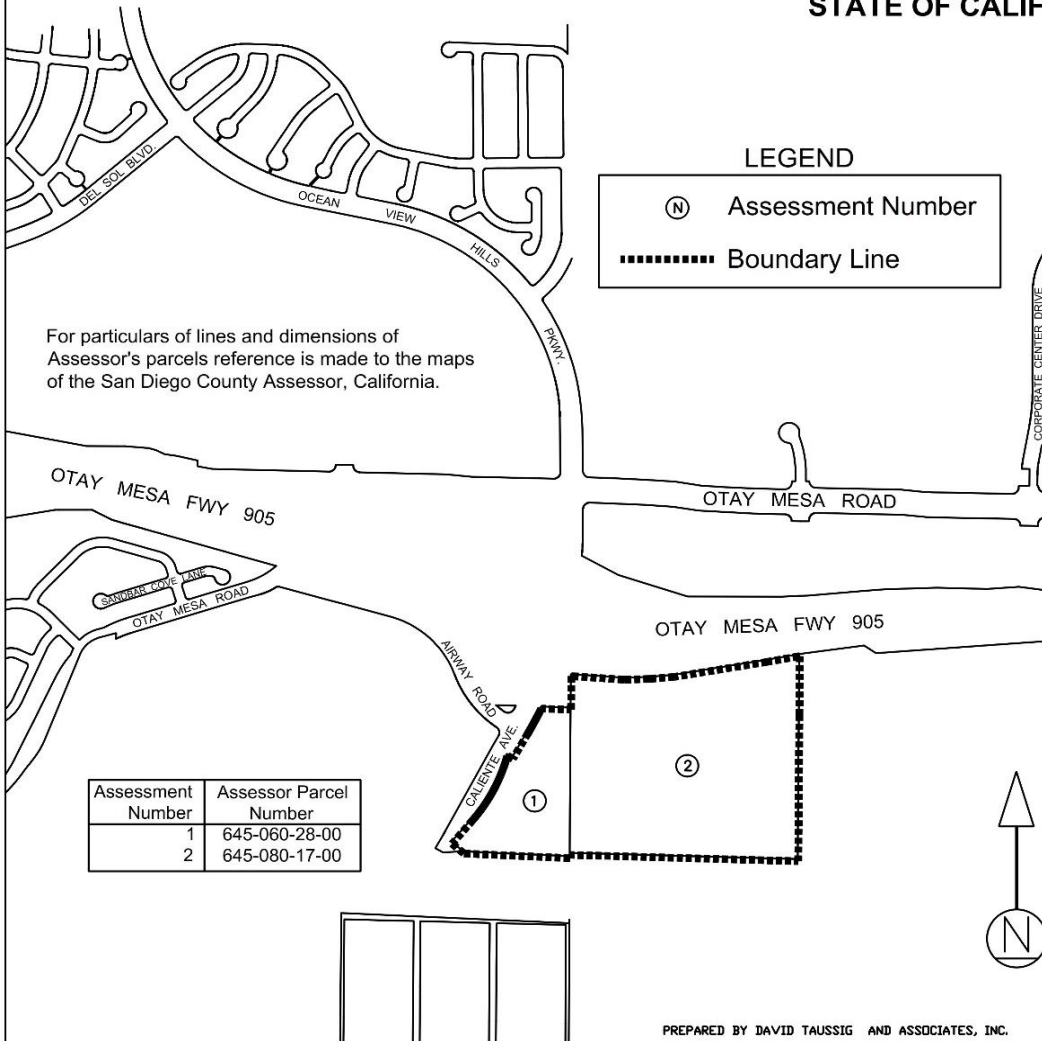
A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, is filed with and made a part of this Report and part of the assessment. Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.



SHEET 1 OF 1

**PROPOSED BOUNDARIES OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. 14-03  
(CITY OF SAN DIEGO, COUNTY OF SAN DIEGO)  
STATE OF CALIFORNIA**



Filed this \_\_\_\_\_ day of \_\_\_\_\_, 2014, at the hour of \_\_\_\_\_ o'clock \_\_\_\_\_ m., in book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_ in the office of the Recorder of the County of San Diego, State of California.

By Deputy,  
County Recorder, County of San Diego

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Superintendent of Streets  
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority, Statewide Communities Infrastructure Program, Assessment District No. 14-03 (City of San Diego, County of San Diego), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by its resolution No. \_\_\_\_\_.

Secretary of the Authority  
California Statewide Communities Development Authority

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Diego area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.



(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) equals \$4,784,788.

The County of San Diego's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) totals \$7,317,987.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) totals \$3,658,994.

The value-to-lien based on the County of San Diego's assessed value for all properties located in the District is 1.53 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) and will be incorporated into the Final Engineer's Report.

[http://localhost:9010/resources/Clients/SCIP/San Diego \(Cornerstone\)/Engineer's Report/CSCDA AD No 14-03 \(San Diego County\) Engineer's Report \(Preliminary 08.01.2014\).docx](http://localhost:9010/resources/Clients/SCIP/San Diego (Cornerstone)/Engineer's Report/CSCDA AD No 14-03 (San Diego County) Engineer's Report (Preliminary 08.01.2014).docx)

## **Attachment 1**

Assessment District No. 14-03  
California Statewide Communities Development Authority  
(Statewide Communities Infrastructure Program)  
City of San Diego, County of San Diego

Assessment Roll

(Please See Section VI)

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Public Finance  
Public Private Partnerships  
Urban Economics

2250 Hyde Street  
5<sup>th</sup> Floor  
San Francisco, CA 94109  
Phone (800) 969-4382

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE THE  
PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC  
IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY  
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-03  
(CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA),  
APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN  
DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING  
RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN  
CONNECTION THEREWITH**

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-03 (City of San Diego, County of San Diego, California) (the “Assessment District”); and

**WHEREAS**, the Commission finds that the land specially benefited by the financing of the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-03, City of San Diego, County of San Diego, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-03 (City of San Diego, County of San Diego, California)”;

**WHEREAS**, the City of San Diego is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1. The above recitals are true and correct, and the Commission so finds and determines.

Section 2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIIIID of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Diego within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this August 7, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities  
Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted  
by the Commission of the Authority at a duly called meeting of the Commission of the Authority  
held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

## EXHIBIT A

### DESCRIPTION OF WORK

The payment of development impact fees levied by the City of San Diego upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

#### PAYMENT OF IMPACT FEES

1. Facilities Benefit Assessments

**RESOLUTION NO. 14R-\_\_\_\_\_**

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,  
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING  
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY  
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-03 (CITY  
OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-03 (City of San Diego, County of San Diego, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the "Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on October 9, 2014, at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of development impact fees for public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5<sup>th</sup> Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.



**PASSED AND ADOPTED** by the California Statewide Communities Development Authority  
this 7th day of August, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 7, 2014.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

## Item VIII

Consideration of amending the 2014 CSCDA Regular Meeting Calendar to move the regularly scheduled meeting of Thursday, September 18, 2014, to Tuesday, September 23, 2014. (Scott Carper)

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## SUMMARY AND APPROVALS

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**REQUEST:** AMEND ADOPTED SCHEDULE OF 2014 CSCDA MEETING DATES

**DATE:** AUGUST 7, 2014

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**Background:**

Staff received a request from the Executive Director and CSAC Finance Corporation for an amendment to the 2014 adopted meeting schedule to accommodate their Fall Board of Directors meeting. Staff proposes changing the second meeting in September (9/18) to the following week on Tuesday, September 23<sup>rd</sup>. The meeting will still be located at the California State Association of Counties. The existing meeting dates will remain the same. Attached is a revised calendar reflecting the change.

# 2014 California Statewide Communities Development Authority Regular Meeting Calendar

All Regular Meetings of the Authority will begin at 10:00 AM. The primary location for the first meeting of each month is the League of California Cities, located at 1400 K Street, 3rd Floor, Sacramento, CA 95814. The primary location for the second meeting of each month is the California State Association of Counties, located at 1100 K Street, Sacramento, CA 95814.

JANUARY						
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Regular CSCDA Board Meetings highlighted Yellow.

Federal/State holidays highlighted in Red.

January 16  
January 30  
February 6  
February 20  
March 6  
March 20  
April 3  
April 17  
May 8  
May 22  
June 12  
June 26

July 17  
August 7  
August 21  
September 11  
September 18  
October 9  
October 23  
November 6  
November 20  
December 4  
December 18

January 1 - New Year's Day  
January 20 - Martin Luther King, Jr. Day  
February 17 - President's Day  
May 26 - Memorial Day  
July 4 - Independence Day  
September 1 - Labor Day  
October 13 - Columbus Day  
November 11 - Veterans Day  
November 27 - Thanksgiving Day  
December 25 - Christmas Day



**CSCDC**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION



**AGENDA OF THE MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

**August 7, 2014**

**10:15 a.m. or upon adjournment of the regularly scheduled CSCDA Board Meeting  
League of California Cities  
1400 K Street, 3<sup>rd</sup> Floor  
Sacramento, California**

County of Yuba  
915 8<sup>th</sup> Street, Suite 103  
Marysville, CA 95901

27788 Hidden Trail Road  
Laguna Hills, CA 92653

County of Monterey  
168 West Alisal Street  
Salinas, CA 93901

709 Portwalk Place  
Redwood City, CA 94065

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the July 17, 2014 Meeting.
- III. Discuss and Approve additional authorized signatories.
- IV. Discuss and Approve (i) Resolutions authorizing execution of an Allocation Agreement with the CDFI Fund to receive \$38,000,000 in New Markets Tax Credits; (ii) Unanimous Written Consent of Members of Subsidiary Allocatees; and (iii) Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees.
- V. Public Comment.
- VI. Adjourn.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2014 at \_\_: \_\_ m,  
Signed \_\_\_\_\_. Please fax signed page to (925) 933-8457.

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

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2014 at \_\_: \_\_ \_\_m,  
Signed \_\_\_\_\_. Please fax signed page to (925) 933-8457.

**MINUTES OF THE ANNUAL MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

**July 17, 2014**

**California State Association of Counties  
1100 K Street, 1<sup>st</sup> Floor  
Sacramento, California**

Commission Chair Larry Combs called the meeting to order at 11:20 am.

**I. Call the Roll.**

Commission members present: Larry Combs and Dan Harrison. Irwin Bornstein, Dan Mierzwa, Tim Snellings, alternate Commissioner Ron Holly, representing Terry Schutten, and alternate commissioner Brian Moura, representing Kevin O'Rourke also participated by conference telephone. CSCDA Executive Director Catherine Bando was also present.

Others present included: Scott Carper and Caitlin Lanctot, HB Capital; Laura Labanieh Campbell and Nancy Parrish, CSAC Finance Corporation; Jean Jordan, California State Association of Counties; Cliff Staton, Renewable Funding; Roger Davis, John Myers, and Mike Weed, Orrick; and Mark Paxson, State Treasurer's Office. Greg Stepanicich, Richards Watson & Gershon; Matt Cate, California State Association of Counties; Chris Lynch, Jones Hall; and Jon Penkower, Bridge Strategic Partners, participated by conference telephone.

**II. Approve the Minutes of the November 26, 2013 Meeting.**

The Commission approved the minutes of the November 26, 2013 meeting.

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

**III. Elect officers of CSCDC, including President, Vice President, Treasurer and Secretary.**

The commission appointed Larry Combs as President, Kevin O'Rourke as Vice President, Terry Schutten as Treasurer, and Dan Harrison as Secretary of CSCDC.

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

**IV. New Markets Tax Credit Program Update.**

Jon Penkower updated the Commission that after a successful \$35 million allocation last year, CSCDC once again received an allocation for the current year for \$38 million. This is a

true testament to the ability of CSCDC to engage in successful projects as many repeat awardees were not included this year. The CSCDA Advisory Board is already considering projects for this year's allocation including an expansion of the Big Brothers/Big Sisters organization in Orange County, a new operations center in Butte County for regional transportation, and a federally qualified health center in Eureka.

**V. Discuss and Approve (i) Resolutions authorizing execution of an Allocation Agreement with the CDFI Fund to receive \$38,000,000 in New Markets Tax Credits; (ii) Unanimous Written Consent of Members of Subsidiary Allocatees; and (iii) Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees.**

The Commission approved the resolutions authorizing execution of an Allocation Agreement with the CDFI Fund to receive \$38,000,000 in New Markets Tax Credits.

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

The Commission approved the Unanimous Written Consent of Members of Subsidiary Allocatees.

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

The Commission approved the Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees.

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

**VI. Public Comment.**

There was no public comment.

**VII. Adjourn.**

The meeting was adjourned at 11:32 am.

Submitted by Laura Labanieh Campbell, CSAC Finance Corporation staff.



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION AUTHORIZING AGENTS TO ENTER INTO CONTRACTS AND TO SIGN ORDERS FOR PAYMENT OF MONEY OUT OF FUNDS OF THE CORPORATION**

At a meeting duly called on August \_\_, 2014, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the "Corporation"), does hereby adopt the following resolutions:

WHEREAS, the Corporation was formed as a California nonprofit public benefit corporation; and

WHEREAS, the Corporation adopted and approved By-Laws at a meeting of the Board of Directors on May 25, 2011, as amended (the "By-Laws"); and

WHEREAS, the By-Laws authorize the Board of Directors of the Corporation to authorize agents to enter into contracts or execute and deliver instruments on behalf of the Corporation and to sign checks, drafts and other orders for the payment of money out of the funds of the Corporation; and

WHEREAS, the Board of Directors desires to authorize certain agents to enter into contracts or execute and deliver instruments on behalf of the Corporation and to sign checks, drafts and other orders for the payment of money out of the funds of the Corporation.

NOW, THEREFORE, BE IT

RESOLVED, that the Board of Directors of the Corporation hereby authorizes the agents listed below to enter into contracts or execute and deliver instruments on behalf of the Corporation and to sign checks, drafts and other orders for the payment of money out of the funds of the Corporation, provided that such action is related to a project or transaction approved by the Board of Directors.

1. Mike LaPierre
2. Scott Carper
3. Laura Campbell
4. Nancy Parrish
5. Catherine Bando
6. Norman Coppinger

RESOLVED that the Board of Directors of the Corporation hereby ratifies and confirms any such actions previously taken by its agents.

I, the undersigned, the duly appointed and qualified member of the Board of Directors of the California Statewide Communities Development Corporation, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the California Statewide Communities Development Corporation at a duly called meeting of the Board of said Corporation held in accordance with law and its By-Laws on \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Name:  
Title:

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**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**  
**SUMMARY AND APPROVAL**

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**DATE:** AUGUST 7, 2014

**PURPOSE:** DISCUSS AND APPROVE (I) RESOLUTIONS AUTHORIZING EXECUTION OF AN ALLOCATION AGREEMENT WITH THE CDFI FUND TO RECEIVE \$38,000,000 IN NEW MARKETS TAX CREDITS; (II) UNANIMOUS WRITTEN CONSENT OF MEMBERS OF SUBSIDIARY ALLOCATEES; AND (III) CERTIFICATE IN SUPPORT OF OPINION OF ALLOCATEE AND SUBSIDIARY ALLOCATEES.

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**Background:**

On September 15, 2013, CSCDC filed an application with the U.S. Treasury Department's Community Development Financial Institutions Fund ("CDFI Fund") seeking an allocation of New Markets Tax Credits ("NMTCs"). On June 5, 2014, CSCDC was awarded \$38 million in New Markets Tax Credit investment authority by the CDFI Fund. CSCDC's first step in deploying the allocation is signing an allocation agreement with the CDFI Fund. The allocation agreement includes as parties each of the subsidiary community development entities ("CDE's") formed by CSCDC in anticipation of the allocation.

In connection with the allocation agreement, the CDFI Fund requires CSCDC to deliver an allocation agreement legal opinion from counsel to CSCDC that addresses typical transactional state law issues like good standing, authorization and enforceability and certain federal law issues regarding tax status and some specific to the New Markets Tax Credit Program. CSCDC's New Markets counsel Nixon Peabody will deliver the allocation agreement opinion.

With a fully executed and effective allocation agreement, each of CSCDC's subsidiary CDEs may accept an investment that it will designate as a Qualified Equity Investment ("QEI") earning NMTCs for the investor so long as QEI proceeds are used to make loans or investments to Qualified Active Low Income Community Businesses or "QALICBs". CSCDC will provide NMTC financing for QALICBs that promote public benefit through: 1) economic development through creating jobs, technologies, and goods and services; 2) health and social welfare and healthy living; 3) education and job training. Such businesses and projects are particularly challenged to fund capital gaps, as the State's poor credit and finances have made raising conventional debt and equity financing more expensive, and made government subsidies even scarcer.

Three documents are presented for board action:

1. Resolution taking actions necessary to ratify steps taken to date in connection with the NMTC allocation and formation of the subsidiary CDEs and authorizing execution of the allocation agreement enabling CSCDC to proceed with deploying its allocation;
2. Allocation Agreement opinion certificate; and
3. Unanimous Written Consent of the Subsidiary CDEs to enter into the Allocation Agreement.

**Recommendation:**

It is recommended that the directors of CSCDC approve (a) the Resolutions Authorizing Execution of an Allocation Agreement with the CDFI Fund to Receive \$38,000,000 in New Markets Tax Credits (in the form of Attachment 1), (b) the Unanimous Written Consent of Members of Subsidiary Allocatees (in the form of Attachment 2), and (c) the Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees (in the form of Attachment 3), as submitted to the directors.

Attachment 1

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

As of August 7, 2014, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the "Allocatee"), does hereby adopt the following resolutions:

**WHEREAS**, the Allocatee and CSCDC 5, LLC, CSCDC 6, LLC, CSCDC 7, LLC, CSCDC 8, LLC, CSCDC 9, LLC, CSCDC 10, LLC (collectively, the "Subsidiary Allocatees") were organized for the purpose of participating in the federal New Markets Tax Credit ("NMTC") program, designed by Congress to encourage investment in (1) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (2) businesses and nonprofits active in low-income communities; and (3) the provision of technical assistance and other services to businesses active in low-income communities; and

**WHEREAS**, by law, NMTC investments must be made through a qualified community development entity (a "CDE"), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and

**WHEREAS**, the Allocatee was certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a CDE, and the Allocatee submitted an Eleventh Round (2013) New Markets Tax Credit Allocation Application (the "Application"); and

**WHEREAS**, each Subsidiary Allocatee was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and

**WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$38,000,000 of NMTC authority (the "Allocation") in connection with its Application; and

**WHEREAS**, the Allocatee is the managing member of each of the Subsidiary Allocatees and intends to sub-allocate all or a portion of its Allocation to the Subsidiary Allocatees.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the form, terms, and provisions of, and the transactions contemplated by, the Allocation Agreement to be entered into by and between the Allocatee, the Subsidiary Allocatees and the CDFI Fund (the "Allocation Agreement") and the schedules (which are a part of the Allocation Agreement), the material provisions of the Application and the attachments, exhibits, appendices, and supplements to the Application be, and hereby are, authorized, adopted and approved in all respects; and be it further

**RESOLVED**, that all actions taken by Jonathan Penkower or Scott Carper in connection with the formation of the Subsidiary Allocatees and on behalf of the Allocatee and the Subsidiary Allocatees pursuant to the Allocation Agreement, the Allocation Application, the Unanimous Written Consent of Members of the Subsidiary Allocatees and any related documents, including without limitation, signing as Managing Director, are hereby ratified, approved and adopted in all respects; and be it further

**RESOLVED**, that each of the following individuals (each an “Authorized Signatory”) be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform the Allocation Agreement on behalf of the Allocatee in its own capacity and in its capacity as managing member of the Subsidiary Allocatees, and all related documents with such changes, additions, deletions, amendments or modifications to the Allocation Agreement as the Authorized Signatory may deem necessary, proper or advisable: Catherine Bando, Norman Coppinger, Nancy Parrish, Laura Labanieh Campbell, Scott Carper, and Mike LaPierre; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees is hereby authorized to receive sub-allocations of all or a portion of the Allocation, and agrees to accept such sub-allocations; and be it further

**RESOLVED**, that the Allocatee is authorized to negotiate any further changes to the Allocation Agreement and all related documents as may be required and take any action necessary to implement the business plan of the Allocatee and the Subsidiary Allocatees within the NMTC requirements set forth in the Allocation Agreement and otherwise in furtherance of the NMTC program, including forming additional subsidiary limited liability companies, serving as managing member or manager of the Subsidiary Allocatees and such other subsidiaries, as may be the case, and taking any action necessary to certify such other subsidiaries as CDEs under the NMTC program; and be it further

**RESOLVED**, that each of the Allocatee and the Subsidiary Allocatees be, and each of them hereby is singly or jointly, authorized, empowered and directed, to take or cause to be taken any and all actions, to make all payments, and to negotiate, enter into, execute, deliver and perform all other agreements, instruments, notices, certificates, filings, written consents and other documents as may be necessary, appropriate, convenient or proper to effectuate the intent of, and the transactions contemplated by, the foregoing resolutions, such agreements, instruments, notices, certificates, filings, written consents and other documents to be in such form and to contain such terms and conditions as the Allocatee or any of the Subsidiary Allocatees executing the same shall in its sole discretion determine to be necessary, appropriate, convenient or proper, the execution and delivery thereof by the Allocatee or the applicable Subsidiary Allocatees to be conclusive evidence of such approval; and be it further

**RESOLVED**, that all actions previously taken by the Allocatee or the Subsidiary Allocatees or their officers, attorneys or agents relating to the foregoing resolutions and transactions contemplated thereby are hereby adopted, ratified, confirmed and approved in all respects; and be it further

**RESOLVED**, that these resolutions may be executed in counterparts, including by signature pages provided by facsimile or in PDF format, which together shall constitute one and the same instrument.

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Adopted by the Board of Directors of Allocatee at its meeting held on August 7, 2014.

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Larry Combs  
President

ATTEST:

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Dan Harrison  
Secretary

## Attachment 2

### **UNANIMOUS WRITTEN CONSENT OF MEMBERS OF SUBSIDIARY ALLOCATEES**

On August 7, 2014, the undersigned, being the Members of CSCDC 5, LLC, CSCDC 6, LLC, CSCDC 7, LLC, CSCDC 8, LLC, CSCDC 9, LLC and CSCDC 10, LLC, each a California limited liability company (collectively referred to herein as the “Subsidiary Allocatees”), do hereby adopt the following resolutions with respect to the Subsidiary Allocatees:

**WHEREAS**, the Subsidiary Allocatees were organized for the purpose of participating in the federal New Markets Tax Credit (“NMTC”) program, designed by Congress to encourage investment in (1) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (2) businesses and nonprofits active in low-income communities; and (3) the provision of technical assistance and other services to businesses active in low-income communities; and

**WHEREAS**, by law, NMTC investments must be made through a qualified community development entity (a “CDE”), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and

**WHEREAS**, California Statewide Communities Development Corporation (the “Allocatee”) was certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a CDE, and the Allocatee submitted a Eleventh Round (2013) New Markets Tax Credit Allocation Application (the “Application”); and

**WHEREAS**, each Subsidiary Allocatee was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and

**WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$38,000,000 of NMTC authority (the “Allocation”) in connection with its Application; and

**WHEREAS**, the Allocatee is the managing member of each of the Subsidiary Allocatees and intends to sub-allocate all or a portion of its Allocation to the Subsidiary Allocatees; and

**WHEREAS**, the Allocatee, as managing member of each Subsidiary Allocatee, manages the Subsidiary Allocatees in accordance with the organizational documents of each Subsidiary Allocatee and hereby consents (along with the other members) to the actions take herein.

### **NOW, THEREFORE, BE IT**

**RESOLVED**, that the form, terms, and provisions of, and the transactions contemplated by, the Allocation Agreement to be entered into by and between the Allocatee, the Subsidiary Allocatees and the CDFI Fund (the “Allocation Agreement”) be, and hereby are, authorized, adopted and approved in all respects; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform the Allocation Agreement, with such changes, additions, deletions, amendments or modifications to the Allocation Agreement as the Allocatee or the Subsidiary Allocatees may deem necessary, proper or advisable; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees is hereby authorized to receive sub-allocations of all or a portion of the Allocation, and agrees to accept such sub-allocations; and be it further

**RESOLVED**, that the Allocatee is authorized to negotiate any further changes to the Allocation Agreement as may be required and take any action necessary to implement the business plan of the Allocatee and the Subsidiary Allocatees within the NMTC requirements set forth in the Allocation Agreement and otherwise in furtherance of the NMTC program, including forming additional subsidiary limited liability companies, serving as managing member or manager of the Subsidiary Allocatees and such other subsidiaries, as may be the case, and taking any action necessary to certify such other subsidiaries as CDEs under the NMTC program; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees be, and each of them hereby is singly or jointly, authorized, empowered and directed, to take or cause to be taken any and all actions, to make all payments, and to negotiate, enter into, execute, deliver and perform all other agreements, instruments, notices, certificates, filings and other documents as may be necessary, appropriate, convenient or proper to effectuate the intent of, and the transactions contemplated by, the foregoing resolutions, such agreements, instruments, notices, certificates, filings and other documents to be in such form and to contain such terms and conditions as any of the Subsidiary Allocatees executing the same shall in its sole discretion determine to be necessary, appropriate, convenient or proper, the execution and delivery thereof by the applicable Subsidiary Allocatees to be conclusive evidence of such approval; and be it further

**RESOLVED**, that all actions previously taken by the Subsidiary Allocatees or their officers, attorneys or agents relating to the foregoing resolutions and transactions contemplated thereby are hereby adopted, ratified, confirmed and approved in all respects; and be it further

**RESOLVED**, that these resolutions may be executed in counterparts, including by signature pages provided by facsimile or in PDF format, which together shall constitute one and the same instrument.

*(Signatures contained on the following page)*



**IN WITNESS WHEREOF**, the undersigned Members of the Subsidiary Allocatees have executed and delivered this Unanimous Written Consent of the Members on the date first above written.

**CSCDC 5, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development Corporation, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**CSCDC 7, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development Corporation, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**CSCDC 6, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development Corporation, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**CSCDC 8, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development Corporation, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**CSCDC 9, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development Corporation, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**CSCDC 10, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development Corporation, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Scott Carper  
Authorized Signatory

Attachment 3

**CERTIFICATE IN SUPPORT OF OPINION  
OF ALLOCATEE AND SUBSIDIARY ALLOCATEES**

This Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees is made as of the \_\_\_th day of July, 2014, on behalf of California Statewide Communities Development Corporation (the "Allocatee"), a California nonprofit public benefit corporation and CSCDC 5 LLC, CSCDC 6 LLC, CSCDC 7 LLC, CSCDC 8 LLC, CSCDC 9 LLC and CSCDC 10 LLC, each a California limited liability company (collectively, the "Subsidiary Allocatees"), for reliance upon by Nixon Peabody LLP ("Counsel") in connection with the issuance of an opinion letter (the "Opinion Letter") to be delivered by Counsel as a condition of that certain Allocation Agreement (the "Allocation Agreement") to be entered into by and between the Allocatee, the Subsidiary Allocatees and the Community Development Financial Institutions Fund. In connection with the Opinion Letter, the Allocatee and the Subsidiary Allocatees hereby certify to Counsel for its reliance, the truth, accuracy and completeness of the following matters:

1. Attached hereto as Exhibit A are true, correct and complete copies of the Allocatee's Organizational Documents (as defined in the Opinion Letter). The Allocatee's Organizational Documents have not been altered, amended, modified or rescinded and remain in full force and effect on the date hereof. No steps have been taken by the Board of Directors or stockholders or members of the Allocatee to effect or authorize any amendment or other modification to the Allocatee's Organizational Documents.

2. Attached hereto as Exhibit B are true, correct and complete copies of the Subsidiary Allocatees' Organizational Documents (as defined in the Opinion Letter). The Subsidiary Allocatees' Organizational Documents have not been altered, amended, modified or rescinded and remain in full force and effect on the date hereof. No steps have been taken by the Managing Member or other members of any Subsidiary Allocatee to effect or authorize any amendment or other modification to any of the Subsidiary Allocatees' Organizational Documents.

3. The resolution of the Board of Directors of the Allocatee dated July \_\_, 2014, attached hereto as Exhibit C, authorizing the transactions contemplated in the Opinion Letter were duly approved and adopted by the Allocatee's Board of Directors in accordance with the requirements of the Allocatee's Organizational Documents and have not been amended or supplemented in any respect and are in full force and effect on the date hereof.

4. The resolutions of the members of the Subsidiary Allocatees, dated July \_\_, 2014, attached hereto as Exhibit D, authorizing the transactions contemplated in the Opinion Letter were duly approved and adopted by the members in accordance with the requirements of the Subsidiary Allocatees' Organizational Documents and have not been amended or supplemented in any respect and are in full force and effect on the date hereof.

5. The representations and warranties of the Allocatee and the Subsidiary Allocatees set forth in the Allocation Agreement and the Allocation Application (as defined in the Opinion Letter) are true and correct in all material respects.

6. The representations and warranties of the Allocatee and the Subsidiary Allocatees set out in each applicable CDE Certification Application (as defined in 66 FR 65806) are true and correct in all material respects.

7. No further authorization, consent, approval, or other action by, or filing with, any individual, entity, or state, local, or governmental authority, is required in connection with, the execution, delivery and performance of the Allocation Agreement by the Allocatee or the Subsidiary Allocatees.

8. The execution, delivery and performance of the Allocation Agreement by the Allocatee and the Subsidiary Allocatees will not cause the Allocatee or the Subsidiary Allocatees to be in violation of (i) any material agreement to which the Allocatee and the Subsidiary Allocatees are a party or by which the Allocatee and the Subsidiary Allocatees are bound, or (ii) any court judgment, decree, writ, injunction, rule or regulation or order of any governmental body to which the Allocatee and the Subsidiary Allocatees are subject.

9. There is no suit, action, proceeding, or investigation, pending or threatened against the Allocatee or the Subsidiary Allocatees that questions the validity of the Allocation Agreement or any actions taken or to be taken pursuant thereto.

10. This Certificate is given by the Allocatee and the Subsidiary Allocatees to Counsel with the intention and with the agreement that Counsel will use and rely upon it in issuing the Opinion Letter.

11. The Allocatee is legally authorized to transact business in the State of California, which is its principal place of business. The Allocatee is currently only transacting business in the State of California.

12. Each of the Subsidiary Allocatees is legally authorized to transact business in the State of California, which is its principal place of business. Each of the Subsidiary Allocatees is currently only transacting business in the State of California.

13. The following named individuals are the duly appointed authorized representatives of the Allocatee and, pursuant to the attached resolutions, are authorized to execute and deliver certain documents on behalf of the Allocatee; each of the signatures after the name is the genuine signature of such individual:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Scott Carper	Authorized Signatory	_____
Michael LaPierre	Authorized Signatory	_____

*[Signature Pages Follow]*

**IN WITNESS WHEREOF**, the Allocatee and the Subsidiary Allocatees have executed this Certificate in Support of Opinion of Allocatee and the Subsidiary Allocatees effective as of the date set forth above.

**ALLOCATEE:**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation

**BY:**

\_\_\_\_\_  
Scott Carper, Authorized Signatory

**SUBSIDIARY ALLOCATEES:**

**CSCDC 5 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Scott Carper, Authorized Signatory

**CSCDC 6 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Scott Carper, Authorized Signatory

**CSCDC 7 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Scott Caper, Authorized Signatory

**CSCDC 8 LLC**, a California limited liability company

By: **CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation, its Managing Member

By: \_\_\_\_\_  
Scott Carper, Authorized Signatory

**CSCDC 9 LLC**, a California limited liability company

By: **CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation, its Managing Member

By: \_\_\_\_\_  
Scott Carper, Authorized Signatory

**CSCDC 10 LLC**, a California limited liability company

By: **CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California nonprofit  
public benefit corporation, its Managing Member

By: \_\_\_\_\_  
Scott Carper, Authorized Signatory

The undersigned hereby certifies that Scott Carper is a duly qualified and acting Authorized Signatory  
and that each signature set forth above is his true and genuine signature.

\_\_\_\_\_  
Larry Combs  
President

**Exhibit A**

**Allocatee's Organizational Documents**

**[See Attached]**

**Exhibit B**

**Subsidiary Allocatee's Organizational Documents**

**[See Attached]**



**Exhibit C**

**Resolutions of the Board of Directors**

**[See Attached]**

**Exhibit D**

**Member Consent**

**[See Attached]**