





REGULAR MEETING AGENDA

September 15, 2016 at 2:00 p.m.

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

Telephonic Locations:

County of Monterey 168 Alisal Street, Salinas, CA 93901			County of Butte 7 County Drive, Oroville, CA 95965		
709 Portwalk Place Redwood City, CA 94061			County of Yuba 915 8th Street, Marysville, CA 95901		
1225	of Auburr Lincoln V rn, CA 95	Vay			
A.	OPEN	ING AND PROCEDURAL ITEMS			
	1.	Roll Call. Dan Harrison, Chair Larry Combs, Vice Chair Kevin O'Rourke, Treasurer Ron Holly, Secretary Nav Gill, Alt. Member	Tim Snellings, Member Dan Mierzwa, Member Irwin Bornstein, Member Brian Moura, Alt. Member		
	2.	Consideration of the minutes of the Sep	tember 1, 2016 Regular Meeting.		
	3.	Consideration of the Consent Calendar.			
	4.	Public Comment.			
В.	ITEM	S FOR CONSIDERATION			
5. Consideration of the issuance of revenue bonds or other of refinance the following projects, the execution and deliver other related actions:					
		a. Redlands Community Hospital, issue up to \$110,000,000 in hea	City of Redlands, County of San Bernardino; lthcare facility revenue bonds.		

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- b. Triangle Terrace Affordable, LP (Triangle Terrace Apartments), City of Orange, County of Orange; issue up to \$15,000,000 in multi-family housing revenue bonds.
- c. Polo Run Family Apartments, LP (Polo Run Family Apartments), City of Stockton, County of San Joaquin; issue up to \$30,000,000 in multi-family housing revenue bonds.
- 6. Statewide Community Infrastructure Program (SCIP):
 - A. Conduct proceedings with respect to SCIP (hearing to be held at 2:00 p.m. or shortly thereafter):
 - 1. Open Assessment Districts Consolidated Public Hearing.
 - 2. Close Assessment Districts Consolidated Public Hearing.
 - 3. Open Assessment Ballots and Announce Results.
 - B. Consideration of the following resolutions for SCIP:
 - 1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments.
 - 2. Resolution providing for the issuance of seven separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.
 - 3. Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds, Series 2016B and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.
- 7. Consideration of CFD No. 2016-01 (Napa Pipe), County of Napa:
 - a. Conduct proceeding with respect to CFD No. 2016-01 (Napa Pipe):
 - 1. Open Continued Public Hearing.
 - 2. Close Public Hearing.
 - b. Consider the following resolutions relating to the formation of and special election within CFD No. 2016-01 (Napa Pipe):
 - 1. Resolution of formation establishing CFD No. 2016-01 (Napa Pipe), and providing for the levy of a special tax to finance certain environmental remediation.
 - 2. Resolution deeming it necessary to incur bonded indebtedness to finance certain environmental remediation within CFD No. 2016-01 (Napa Pipe).
 - 3. Resolution calling special mailed-ballot election within CFD No. 2016-01 (Napa Pipe).

- c. Conduct special election within CFD No. 2016-01 (Napa Pipe).
- d. Consider resolution declaring results of special mailed-ballot election within CFD No. 2016-01 (Napa Pipe).
- e. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2016-2017 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California."
- 8. Consider resolution authorizing issuance of Community Facilities District No. 2016-02 (Delta Coves) Special Tax Bonds, Series 2016A and approving an indenture, bond purchase contract, official statement, continuing disclosure certificate, and related actions in connection with the issuance, sale and delivery of such bonds.
- 9. Consideration of the approval of an Assessment Contract and Indenture and the issuance of Limited Obligation Improvement Bonds not to exceed \$12,000,000 to provide financing for the installation of renewable energy improvements on a commercial property for Pacific Ethanol in the County of Madera for the CaliforniaFIRST PACE program.
- 10. Consideration of resolution approving CSCDA General Obligation Revenue Bonds (Monterey County GO Savers) Series 2016.
- 11. Consideration of Amended and Restated Services Agreement with Renew Financial Group LLC for the CaliforniaFirst PACE Program.
- 12. Consideration of Amended Indemnification Language for Commercial PACE Projects.
- 13. Consideration of Amendments to California First Master Indentures.
- 14. Consideration of CSCDA Policy for Renewable Energy Credits for the PACE Programs.
- 15. Consideration of a resolution ratifying and approving the forms of certain documents and administration agreement to be used in connection with the issuance of CSCDA Open Pace limited obligation improvement bonds not to exceed \$100 million for Clean Fund's Commercial PACEDirect and approving related documents and actions.
- 16. Consideration of General Liability Insurance for CSCDA.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

- 17. Executive Director Update.
- 18. Staff Updates.
- 19. Adjourn

NEXT MEETING:

Thursday, October 6, 2016 at 2:00 p.m. California State Association of Counties 1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY CONSENT CALENDAR

1. <u>Consent Calendar</u>

- a. Inducement of NHPAHP Mayberry, LP (Casa Puleta Apartments), City of San Diego, County of San Diego; issue up to \$7 million in multi-family housing revenue bonds.
- b. Inducement of Levy Affiliated Holdings (Magnolia City Lights and Harbor City Lights), City of Los Angeles, County of Los Angeles; issue up to \$25 million in multi-family housing revenue bonds.
- c. Consideration of California Affordable Housing Development Association Sponsorship.

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REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

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

September 1, 2016

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:00 pm.

1. Roll Call.

Commission members present: Larry Combs; Dan Harrison; and Tim Snellings. Alternate commissioner Brian Moura (representing Kevin O'Rourke); Irwin Bornstein; Ron Holly; and Dan Mierzwa participated by teleconference.

CSCDA Executive Director, Catherine Bando participated by teleconference.

Others present included: Jon Penkower, Bridge Strategic Partners; Laura Labanieh, CSAC Finance Corporation; and Mark Paxson, State Treasurer's Office. James Hamill, Bridge Strategic Partners participated by teleconference.

2. Consideration of the minutes of the August 18, 2016 Regular Meeting.

Motion to approve by Combs; second by Mierzwa; unanimously approved by roll-call vote.

- 3. Consideration of the Consent Calendar.
 - a. Induce LIH Delta Pines Antioch, LP (Delta Pines Apartments), City of Antioch, County of Contra Costa; issue up to \$35 million in multi-family housing revenue bonds.
 - b. Approve Fee Schedule Amendment to PACE Funding Services Agreement.

Motion to approve by Mierzwa; second by Combs; unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

- 5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Paradise Creek II Housing Partners, L.P. (Paradise Creek Apartments II), City of National City, County of San Diego; issue up to \$32,000,000 in multi-family housing revenue bonds.

Executive Director Bando explained that this project would construct 92 affordable rental housing units including 6 studios, 21 one-bedroom units, 35 two-bedroom units, 29 three-bedroom units, and one manager's unit. The 32-year bonds will be placed privately.

Bando indicated that the financing complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve Executive Director Bando's recommendation by Snellings; second by Holly; unanimously approved by roll-call vote.

6. Consideration of a joint powers agreement by and between CSCDA and the San Dieguito Union High School District

Executive Director Bando explained that this item would entail CSCDA entering into an agreement with San Dieguito Union High School District to form a new Joint Powers Authority, the San Dieguito School Facilities Financing Authority (SDSFFA), that would allow the district to issue new bonds. CSCDA would receive a modest fee for this service and none of the assets or revenues of CSCDA will be pledged or in any way available for payment of the SDSFFA bonds. Bando recommends approval of the agreement.

Motion to approve Executive Director Bando's recommendation by Bornstein; second by Combs; unanimously approved by roll-call vote.

7. Consideration of the 2017 CSCDA Meeting Calendar.

The draft 2017 CSCDA meeting calendar was presented with further explanation that the CSCDA Annual Meeting would be held on January 5, 2017.

Motion to approve the 2017 CSCDA meeting calendar by Combs; second by Moura; unanimously approved by roll-call vote.

8. Consideration of an Amended and Restated Agreement between California Statewide Communities Development Authority and Catherine W. Bando for Executive Director Services.

Dan Harrison explained the rationale behind the amended agreement and changing the fee arrangement to a retainer for specific services instead of hourly billing.

Motion to approve the amended agreement by Combs; second by Snellings; unanimously approved by roll-call vote.

9. 2015-16 Fiscal Year Review Presentation.

Executive Director Bando provided an overview of FY 2015-16 activities highlighting the increase in new issuances and in fees paid to CSAC and the League of California Cities.

10. Executive Director update.

Executive Director Bando informed the Commission that she, along with James Hamill and Jon Penkower, would be attending the CSAC Finance Corporation Board Meeting to provide an update on CSCDA in September.

11. Staff updates.

Jon Penkower informed the Board that the agenda for the September $15^{\rm th}$ meeting would be fairly heavy.

12. Chair Dan Harrison adjourned the meeting at 2:29 pm.

Submitted by: Laura Labanieh, CSAC Finance Corporation staff

The next regular meeting of the commission is scheduled for

Thursday, September 15, at 2:00 pm

in the California State Association of Counties' office at 1100 K Street, 1st Floor,

Sacramento, California.

RESOLUTION NO. 16H-

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

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

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

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

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

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

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

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

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

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

<u>Section 1</u>. The above recitals, and each of them, are true and correct.

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 15, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

By: _	
-	Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Casa Puleta Apartments	City of San Diego, County of San Diego	54	Acquisition and Rehabilitation	NHPAHP Mayberry, LP	\$7,000,000
Magnolia City Lights and Harbor City Lights	City of Los Angeles, County of Los Angeles	110	Acquisition and Rehabilitation	Levy Affiliated Holdings	\$25,000,000

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Agenda Item No. 1c

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of California Affordable Housing Development Association

Membership

EXECUTIVE SUMMARY:

The California Affordable Housing Development Association is an affordable housing advocacy group focused on the following:

- Accomplishes strategic policy objectives through state and local legislative advocacy.
- Tracks local and state legislation and regulations affecting the affordable housing development industry and educates and informs its members.
- Provides and obtains feedback on critical issues affecting the affordable housing development industry and development issues of interest to its board and membership.
- Provides communication and direct advocacy on important housing issues and policy priorities to State and Municipal Officials on behalf of its membership.
- Develops, shares and implements best practices in the field of affordable housing development.
- Protects and increases local and state resources for affordable housing.
- Ensures strategic and sustainable affordable housing growth for all communities in California.

Annual membership is \$5,000 per year. CSCDA's Executive Director will annually review the value of this membership.

CSCDA Agenda Report Item 1c September 15, 2016

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RECOMMENDED ACTION:

CSCDA's Executive Director recommends that the Commission approve CSCDA's membership to the California Affordable Housing Development Association and direct staff to complete and submit the membership application.



Agenda Item No. 5a

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Redlands Community Hospital

PURPOSE: Authorize the Issuance of Bonds to Finance and Refinance the Acquisition,

Construction, Improvement, Renovation and Equipping of Healthcare Facilities

located in the City of Redlands, County of San Bernardino

AMOUNT: Not to Exceed \$110,000,000

EXECUTIVE SUMMARY:

Redlands Community Hospital, a 501c3 nonprofit organization ("RCH"), has requested that CSCDA issue nonprofit healthcare facility bonds in an amount not to exceed \$110,000,000 (the "Bonds") to finance and refinance the construction, improvement, renovation and equipping of healthcare facilities located in the City of Redlands (the "Project"). The Bonds are being issued to refinance the aggregate principal amount of CSCDA's Series 2013 bonds previously issued for the benefit of RCH (the "2013 Bonds"). The Bonds will also be issued to finance certain improvements to RCH's facilities, including its operating rooms and emergency room. The refinancing of the 2013 Bonds replaces RCH's contingent bank debt in a synthetic fixed mode with long-term committed capital at today's historically low tax-exempt bond rates. This will be the third CSCDA financing for RCH.

PROJECT ANALYSIS:

About Redlands Community Hospital:

RCH, a California nonprofit public benefit corporation, owns and operates a general acute care hospital with 229 licensed beds in the City of Redlands. RCH provides health care services primarily to the residents of the eastern portions of the San Bernardino Valley. Originally established as a 40-bed hospital in 1929, RCH has expanded and modernized its facilities to meet the increasing patient care needs of the Inland Empire. To meet patient care needs, RCH provides emergency services, inpatient / outpatient services, home health services, hospice services, maternal services, and family clinics.

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Public Agency Approvals:

TEFRA Hearing: A TEFRA hearing is scheduled for September 20, 2016 at the City of

Redlands. CSCDA's approval of the Project will be contingent upon

TEFRA approval by the City.

Economic Development:

• RCH employs more than 270 physicians and 1400 nurses and other staff throughout its facilities.

• RCH's role in the community has generated the establishment of medical clinics, pharmacies, rehabilitation centers and other medical related businesses to assist children in need of continued medical care. In addition, many RCH employees live, eat and shop within the community and support the local economy.

Public Benefit:

- RCH actively identifies populations having unmet healthcare needs, specifically uninsured, under-insured, and low-income individuals. RCH further ensures no patient with urgent health care needs is turned away from the RCH emergency department for inability to pay for healthcare services. In 2014, RCH contributed \$14.1 million in unreimbursed community healthcare services and charity care.
- RCH provides free immunization programs for flu shots (approximately 5,000 flu shots annually) and other immunizations for members of the public, underprivileged individuals, and children. Immunizations are administered at shopping centers, senior centers, homeless centers, soup kitchens, church shelters, and RCH Family Clinics throughout the year.
- RCH provides health education programs to improve early prenatal care for low-income, uninsured women and teens while offering access to resources and health plans.
- RCH provides a variety of health education information and health screenings to the public
 at numerous health fairs throughout the year. Free health screenings include cholesterol
 tests, glucose screening, diabetes, blood pressure, cardiac risks, breast cancer information
 and others.

Sources and Uses:

Sources of Funds:

Series 2016 Bonds:	\$ 105,000,000
Total Sources:	\$ 105,000,000

Uses of Funds:

Refunding of 2013 Bonds:	\$ 43,000,000
Capital Expenditures:	\$ 55,000,000
Swap Termination:	\$ 2,000,000
Capitalized Interest:	\$ 4,000,000
Cost of Issuance:	\$ 1,000,000
Total Uses:	\$ 105,000,000

CSCDA Agenda Report Redlands Community Hospital September 15, 2016

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Finance Partners:

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

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

Underwriter: Bank of America Merrill Lynch, San Francisco

Finance Terms:

Rating: BBB (anticipated)

Term: 30 Years – Fixed Interest Rate

Structure: Public Offering **Estimated Closing:** November 3, 2016

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

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ATTACHMENT A

RESOLUTION NO. NP-

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$110,000,000 TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, EQUIPPING, RENOVATION, REHABILITATION AND REMODELING OF CERTAIN HEALTH FACILITIES FOR REDLANDS COMMUNITY HOSPITAL 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 Redlands, 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, Redlands Community Hospital, a California nonprofit public benefit corporation (the "Corporation"), wishes to finance and refinance the acquisition, construction, improvement, equipping, renovation, rehabilitation and remodeling of health facilities owned and operated by the Corporation and located in the City, including the refinancing of all of the Authority's Variable Rate Revenue Bonds (Redlands Community Hospital), Series 2013 and the financing of a portion of a related interest rate swap termination payment (collectively, the "Project");

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

WHEREAS, pursuant to a Bond Indenture (the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee (the "Trustee"), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Redlands Community Hospital), Series 2016 (the "Bonds") for the purpose, among others, of financing and refinancing 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 and refinancing the Project;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the "Purchase Agreement"), among Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriter and representative of the other underwriters named therein (collectively, the "Underwriters"), the Authority and the Corporation, the Bonds will be sold to the Underwriters, and the proceeds of such sale will be used as set forth in the Bond Indenture to finance and refinance the Project and to pay costs incurred in connection with the issuance of the Bonds;

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

- (1) A proposed form of the Bond Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Agreement; and
- (4) A proposed form of official statement (the "Official Statement") to be used by the Underwriters in connection with the offering and sale of the Bonds.

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

Section 1. Pursuant to the Act and the Bond Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the "California Statewide Communities Development Authority Revenue Bonds (Redlands Community Hospital), Series 2016" in an aggregate principal amount not to exceed one hundred ten million dollars (\$110,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms

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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 delegatees duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015 (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

Section 4. The proposed form of the 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 proposed preliminary form of Official Statement, as made available to the Commissioners, is hereby approved. The Underwriters are hereby authorized to distribute the Official Statement in preliminary form to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds.

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

CSCDA Agenda Report Redlands Community Hospital September 15, 2016

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

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

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the 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 and refinancing for the Project.

Section 10. This Resolution is subject to the Corporation obtaining all necessary approvals and permits for the Project required prior to the issuance of the Bonds, including compliance with the California Environmental Quality Act.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September, 2016.

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 September 15, 2016.

	Ву:
•	Authorized Signatory
	California Statewide Communities
	Development Authority



Agenda Item No. 5b

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Triangle Terrace Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City

of Orange, County of Orange

AMOUNT: Not to Exceed \$15,000,000

EXECUTIVE SUMMARY:

Triangle Terrace Apartments (the "Project") is an acquisition and rehabilitation of a 75-unit rental affordable housing project located in the City of Orange. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 75-unit affordable rental housing facility located at 555 Shaffer Street in the City of Orange.
- 3.6 acre site.
- Two-story wood frame buildings.
- Consists of 19 studios and 56 one-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Reiner Communities (formerly known as Bentall Residential) was founded by Ken Reiner in 2003 to preserve, enhance and create affordable housing in California. Its mission to revitalize communities through the acquisition, renovation and operation of multifamily properties has been successfully carried out in communities throughout California. The company maintains its headquarters in Irvine, with a satellite office in Santa Rosa. Reiner Communities has previously constructed or rehabilitated 19 multifamily housing properties. This is Reiner's second financing with CSCDA.

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Public Agency Approval:

TEFRA Hearing: July 12, 2016 – City of Orange – unanimous approval

CDLAC Approval: Expected at CDLAC's September 21, 2016 meeting. CSCDA's approval

will be conditioned upon CDLAC approval and an award of bond

allocation.

Public Benefits:

• 100% of the units will be rent restricted for 55 years.

- o 41% (31 units) restricted to 60% or less of area median income households.
- o 59% (44 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$	13,600,000
Seller Note:	\$	1,500,000
Tax Credits:	\$	6,757,093
Deferred Developer Fee:	\$	3,606
Reserves:	<u>\$</u>	300,000
Total Sources:	\$	22,160,699

Uses of Funds:

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Acquisition:	\$ 13,958,750
Construction Costs:	\$ 3,106,810
Architecture & Engineering:	\$ 172,689
Ground Lease:	\$ 632,000
Relocation:	\$ 47,500
FF&E:	\$ 221,270
Developer Fee:	\$ 2,500,000
Reserves:	\$ 340,110
Cost of Issuance:	\$ 747,671
Soft Costs:	\$ 433,899
Total Uses:	\$ 22,160,699

Finance Partners:

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

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

Private Placement Purchasers: Citibank

CSCDA Agenda Report Triangle Terrace Apartments September 15, 2016

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Finance Terms:

Rating: Unrated

Term: 35 years at a fixed interest rate

Structure: Private Placement Closing: November 18, 2016

CSCDA Policy Compliance:

The financing for Triangle Terrace Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

- 1. Photographs of Triangle Terrace Apartments (Attachment A)
- 2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

- 1. Approves the issuance of the Bonds and the financing of the Project, subject to approval by CDLAC at its September 21, 2016 meeting;
- 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.

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ATTACHMENT A

Triangle Terrace Apartments





CSCDA Agenda Report Triangle Terrace Apartments September 15, 2016

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ATTACHMENT B

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A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS TRIANGLE TERRACE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, Triangle Terrace Affordable, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Triangle Terrace Apartments) 2016 Series P (the "Note") to assist in the financing of the acquisition, rehabilitation and development of a 75-unit multifamily housing rental development for seniors located in the City of Orange, County of Orange, California, and known as Triangle Terrace Apartments (the "Project");

WHEREAS, on September 21, 2016, the Authority is expected to receive an allocation in the amount of \$13,600,000 (such amount as finally approved, the "<u>Allocation Amount</u>") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Orange (the "<u>City</u>") is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$15,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the "<u>Funding Lender</u>"), as the initial holder of the Note;

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

- (1) Funding Loan Agreement (the "<u>Funding Loan Agreement</u>") to be entered into between the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower;
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower; and
- (4) Contingency Draw-Down Agreement (the "<u>Contingency Draw-Down Agreement</u>") to be entered into by the Funding Lender and the Borrower;

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

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

Pursuant to the JPA Law and the Funding Loan Agreement, and Section 2. in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Triangle Terrace Apartments) 2016 Series P" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$13,600,000; provided that the Note may not be issued unless and until CDLAC grants the Project the Allocation Amount, and provided further that the aggregate principal amount of any tax-exempt Note executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegatees duly authorized pursuant to Resolution No. 15R-53 of

CSCDA Agenda Report Triangle Terrace Apartments September 15, 2016

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the Authority, adopted on October 22, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond September 1, 2061), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of

CSCDA Agenda Report Triangle Terrace Apartments September 15, 2016

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security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

<u>Section 10.</u> This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 15, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 15, 2016.

By_		
-	Authorized Signatory	



Agenda Item No. 5c

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Polo Run Family Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City

of Stockton, County of San Joaquin

AMOUNT: Not to Exceed \$30,000,000

EXECUTIVE SUMMARY:

Polo Run Family Apartments (the "Project") is an acquisition and rehabilitation of a 320-unit rental affordable housing project located in the City of Stockton. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 320-unit affordable rental housing facility located at 8165 Palisades Drive in the City of Stockton.
- 9.66 acre site.
- 34 one and two-story wood frame buildings.
- Consists of two studios, 96 one-bedroom units, 190 two-bedroom units, 29 three-bedroom units, and three manager's units.

PROJECT ANALYSIS:

Background on Applicant:

ROEM Development Corporation is a full-service development and construction organization that specializes in the acquisition, planning, financing, new construction, renovation, and asset management of affordable housing for families and seniors. As a longstanding developer of multifamily housing, ROEM maintains its commitment to working locally and collaboratively to successfully complete developments with quality control and efficiency. ROEM has previously constructed or rehabilitated 25 multifamily and senior housing properties. This is ROEM's 12th financing with CSCDA.

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Public Agency Approval:

TEFRA Hearing: August 9, 2016 – City of Stockton – unanimous approval

CDLAC Approval: Expected at CDLAC's September 21, 2016 meeting. CSCDA's approval

will be conditioned upon CDLAC approval and an award of bond

allocation.

Public Benefits:

• 100% of the units will be rent restricted for 55 years.

- o 90% (284 units) restricted to 60% or less of area median income households.
- o 10% (33 units) restricted to 50% or less of area median income households.
- o 3 units are manager units

• The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 23,591,715
Developer Equity:	\$ 700,000
Tax Credits:	\$ 6,167,271
Deferred Developer Fee:	\$ 3,798,000
Reserves/Income:	\$ 2,425,619
Total Sources:	\$ 36,682,605

Uses of Funds:

Acquisition:	\$ 20,550,000
Construction Costs:	\$ 8,334,951
Architecture & Engineering:	\$ 30,000
Permits/Fees:	\$ 119,250
Relocation:	\$ 200,000
Capitalized Interest:	\$ 1,806,490
Developer Fee:	\$ 3,828,000
Reserves:	\$ 573,231
Cost of Issuance:	\$ 838,113
Soft Costs:	\$ 402,570
Total Uses:	\$ 36,682,605

Finance Partners:

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

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

Private Placement Purchasers: Citibank

CSCDA Agenda Report Polo Run Family Apartments September 15, 2016

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Finance Terms:

Rating: Unrated

Term: 35 years at a fixed interest rate

Structure: Private Placement Closing: September 28, 2016

CSCDA Policy Compliance:

The financing for Polo Run Family Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

- 1. Photographs of Polo Run Family Apartments (Attachment A)
- 2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

- 1. Approves the issuance of the Bonds and the financing of the Project, subject to approval by CDLAC at its September 21, 2016 meeting;
- 2. Approves all necessary actions and documents in connection with the financing; and
- 3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

Polo Run Family Apartments





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ATTACHMENT B

RESOLUTION NO. 16H-_

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS POLO RUN APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

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

WHEREAS, Polo Run Family Apartments, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Polo Run Apartments) 2016 Series R-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Polo Run Apartments) 2016 Series R-2 (collectively, the "Notes") to assist in the financing of the acquisition, rehabilitation and development of a 318-unit multifamily housing rental development located in the City of Stockton, California, and known as Polo Run Apartments (the "Project");

WHEREAS, on September 21, 2016, the Authority expects to receive an allocation in the amount of \$24,500,000 (such amount as finally approved, the "<u>Allocation Amount</u>") from the California Debt Limit Allocation Committee ("<u>CDLAC</u>") in connection with the Project;

WHEREAS, the City of Stockton (the "<u>City</u>") is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Notes;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$30,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation

Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

- (1) Funding Loan Agreement (the "<u>Funding Loan Agreement</u>") to be entered into between the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower;
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower; and
- (4) Contingency Draw-Down Agreement (the "<u>Contingency Draw-Down Agreement</u>") to be entered into by the Funding Lender and the Borrower;

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

 $\underline{\text{Section 1.}}$ The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Polo Run Apartments) 2016 Series R-1" and "California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Polo Run Apartments) 2016 Series R-2" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$24,500,000; provided that the Notes may not be issued unless and until CDLAC grants the Project the Allocation Amount, and provided further that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts CSCDA Agenda Report Polo Run Family Apartments September 15, 2016

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pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegatees duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond October 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of the

CSCDA Agenda Report Polo Run Family Apartments September 15, 2016

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documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 15, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 15, 2016.

By_		
	Authorized Signatory	



Agenda Item No. 6

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Conduct Proceedings and Consider Resolutions for the Statewide Community

Infrastructure Program (SCIP) 2016B Assessment Districts

BACKGROUND AND SUMMARY:

On July 21, 2016 the CSCDA Commission approved the resolution of intention to form SCIP 2016B and set the public hearing for today. A summary of the seven projects are outlined below. The amount of the Bonds will not exceed \$13,000,000.

1. Paseo Vista (Sonoma County PRMD, Sonoma County)*

Impact Fees & Capital Improvements:

Traffic Mitigation Fees, Park Mitigation Fee, Roadways (including grading and erosion control), Sanitary Sewer, Storm Drain, Water System.

*District will be formed but Bonds will not be issued as part of SCIP 2016B. Bonds will be issued as part of SCIP 2017A.

2. Foothills American Dream (City of Roseville, Placer County)

Impact Fees & Capital Improvements:

Drainage Fees, Local Sewer Fee, Water Connection Fee (Domestic), Traffic Mitigation Fee, South Placer Regional Traffic Fee, Solid Waste Fee, Electric Backbone Fee, Streetscape, Landscape and Irrigation System, Sounds Walls, Pilasters and Signage Wall, Offsite Roadways and Underground Improvements

3. Vista Del Sur (City of San Diego, San Diego County)

Impact Fees:

Otay Mesa Facilities – Transportation & Parks.

4. 4410 Granite Drive (City of Rocklin, Placer County)

Impact Fees & Capital Improvements:

Local Traffic Fee, South Placer Regional Transit Fee, South Placer Municipal Utility District Sewer Fee, Landscape (including seed), Irrigation System, Picnic Table and Bench, Wrought Iron Fence, Extension of Bike Trail, Upgrade Storm Drain.

5. Parkland North (City of Rocklin, Placer County)

Impact Fees & Capital Improvements

Local Traffic Fee, South Placer Regional Transit Fee, South Placer Municipal Utilities District Sewer Fee, Streetscape, Landscape & Irrigation System, Offsite Storm Drains System and Pavement, Emergency Vehicle Access Improvements.

6. Evans Estates Phase III & IV (City of Manteca, San Joaquin County)

Capital Improvements:

Backbone Sewer, Backbone Storm Drain, Backbone Streets, Intract Sewer, Intract Water Intract Storm Drain, Intract Streets.

7. Green Valley Village (City of Fairfield, Solano County)

Impact Fees:

Water Connection Fee and Traffic Impact Fee.

See Exhibit A for a breakdown of the fees for each District.

RECOMMENDED ACTIONS:

CSCDA's Executive Director recommends that the Commission approve the following:

- 1. Open Assessment Districts Consolidated Public Hearing.
- 2. Close Assessment Districts Consolidated Public Hearing.
- 3. Open Assessment Ballots and Announce Results.
- 4. Consideration of the following resolutions for SCIP 2016B:
 - a. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments. (Final Engineer's Reports are in Documents for Commissioner Review Files)
 - b. Resolution providing for the issuance of seven separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.
 - c. Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds, Series 2016B and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.

EXHIBIT A

District Name	Assessment/Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 16-03 (County of Sonoma, California)	\$5,028,827
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Rocklin, County of Placer, California)	\$1,380,540
Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Rocklin, County of Placer, California)	\$931,770
Statewide Community Infrastructure Program Assessment District No. 16-03 (City of Roseville, County of Placer,	\$893,752
California) Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Fairfield, County of Solano, California)	\$1,510,460
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of San Diego, County of San Diego, California)	\$2,831,074
Statewide Community Infrastructure Program Assessment District No. 16-03 (City of Manteca, County of San Joaquin, California)	\$5,083,000

RESOLUTION NO. 16SCIP-

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING THE FINAL ENGINEER'S REPORTS, LEVYING ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED DEVELOPMENT IMPACT FEES AND CAPITAL IMPROVEMENTS, CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND DIRECTING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain public capital improvements and of certain development impact fees, the proceeds of which will be used to pay the cost of other public capital improvements (the "Fees and Improvements"), in each case eligible to be funded under the 1913 Act, which development impact fees and capital improvements are described in the Final Engineer's Reports (the "Final Engineer's Reports") approved by this Resolution, said fees and capital improvements and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Fees and Improvements are payable or are to be located, as applicable, in connection with the proposed development of said parcels of land which are situated within one of seven assessment districts (the "Districts") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

WHEREAS, on July 21, 2016, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on July 21, 2016, seven separate reports containing the information regarding the Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by seven separate resolutions duly adopted on July 21, 2016 (the "Resolutions of Preliminary Approval"), corresponding to the seven proposed Districts, preliminarily approved the reports, and fixed 2:00 p.m., or as soon thereafter as the matter might be heard, on September 15, 2016, at the offices of the California State Association of Counties, 100 K Street, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the "Assessments"); and

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer's reports (the "Final Engineers Reports") for all of the Districts due to requests from certain property owners to reduce the assessment amount, remove parcels, and/or effect certain ministerial modifications; and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIIID of the California Constitution ("Article XIIID"), together with the property owner assessment ballots themselves; and

WHEREAS, there have been filed with the Authority six separate certificates setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIIID; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the form and manner required by Article XIIID; and

WHEREAS, said public hearing was duly convened by this Commission as a consolidated public hearing for the seven Districts at said time and place specified in the notice of public hearing and was at such time continued to the date hereof, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the seven proposed Districts; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the "1931 Act"), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each Final Engineer's Report, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure including the timing of receipt of the notice of the public hearing, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to the modifications made to the applicable Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Reports by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails

the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

- **NOW, THEREFORE, BE IT RESOLVED** by the Commission of the California Statewide Communities Development Authority, as follows:
- <u>Section 1</u>. The foregoing recitals are true and correct, and this Commission so finds and determines.
- Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a "majority protest," as said term is defined by Article XIIID, and this Commission hereby overrules the protests received, if any, whether written and oral, from any other person.
- <u>Section 3</u>. This Commission hereby approves the Final Engineer's Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.
- Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.
- Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer's Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer's Reports.
- <u>Section 6</u>. This Commission hereby orders the financing of the Fees and Improvements as detailed in the Final Engineer's Reports.
- 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, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.
- Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the administrator of SCIP (the "Program Administrator") a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Report between the preliminary approval thereof on July 21, 2016, and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.
- Section 9. The Program Administrator is hereby authorized and directed to prepare the auditors record for each District, pursuant to the Streets and Highways Code, and to transmit said auditors

record to the County Auditor of the County within which each District is located. The assessment installments for the initial series of bonds issued for the District shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 10. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and the notices of assessment in the office of the County Recorder of the County within which each District is located in the time, form and manner as required by law.

<u>Section 11</u>. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this September 15, 2016.

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 September 15, 2016.

By: _______Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name	Assessment/Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 16-03 (County of Sonoma, California)	\$5,028,827
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Rocklin, County of Placer, California)	\$1,380,540
Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Rocklin, County of Placer, California)	\$931,770
Statewide Community Infrastructure Program Assessment District No. 16-03 (City of Roseville, County of Placer, California)	\$893,752
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Fairfield, County of Solano, California)	\$1,510,460
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of San Diego, County of San Diego, California)	\$2,831,074
Statewide Community Infrastructure Program Assessment District No. 16-03 (City of Manteca, County of San Joaquin, California)	\$5,083,000

(a) RESOLUTION NO. 16SCIP-

(b) RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF SEVEN SEPARATE SERIES OF STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT AND AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission, on July 21, 2016, adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the financing of certain development impact fees and capital improvements in seven separate assessment districts (the "Districts") designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolutions of Intention were adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") and provided that serial and/or term bonds to represent the unpaid assessments (the "Assessments") would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), reference being hereby made to the Resolutions of Intention for further particulars of such bonds; and

WHEREAS, the written engineer's reports relating to the proposed Districts (in their final form, the "Engineer's Reports") were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and

WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Assistant to the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the Districts, and the assessment diagrams and related notices of assessment shall be recorded in the office of the County Recorder of the County in which each respective District is located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amounts set forth in <u>Exhibit A</u> to this Resolution upon the several subdivisions of land in the Districts in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain development impact fees and from certain public capital improvements, as shown in the Engineer's Reports; and

WHEREAS, the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which,

among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of the unpaid Assessments for each District is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of development impact fees and capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue seven separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, relating to each District (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount not to exceed the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission, in accordance with the Program, has on the same date hereof authorized its Statewide Community Infrastructure Program Revenue Bonds (the "Revenue Bonds") pursuant to the same Trust Agreement; and

WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds, with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

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

- (c) The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the "SCIP Manual of Procedures" adopted by this Commission, as it may be amended from time to time.
- (d) This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to

happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority, upon approval by the Authority of the issuance of the Revenue Bonds, shall be authorized pursuant to each and every requirement of law to issue the Local Obligations.

- (e) A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount not to exceed the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the "California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds," with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued in one or more issuances and pursuant to the same or a separate Trust Agreement as other Local Obligations of the Authority.
- (f) The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegatees duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory"), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.
- (g) The Treasurer of the Authority and the Secretary of the Authority are hereby authorized and directed to execute the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

- (h) The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Executive Director of the Authority, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority's general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.
 - (i) This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this September 15, 2016.

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 September 15, 2016.

By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)

Local Obligation Amount

Statewide Community Infrastructure Program Assessment	per Engineer's Report, not to exceed \$5,028,827
District No. 16-03 (County of Sonoma, California) Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Rocklin, County of Placer,	per Engineer's Report, not to exceed \$1,380,540
California) Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Rocklin, County of Placer,	per Engineer's Report, not to exceed \$931,770
California) Statewide Community Infrastructure Program Assessment District No. 16-03 (City of Roseville, County of Placer,	per Engineer's Report, not to exceed \$893,752
California) Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Fairfield, County of Solano,	per Engineer's Report, not to exceed \$1,510,460
California) Statewide Community Infrastructure Program Assessment District No. 16-01 (City of San Diego, County of San Diego,	per Engineer's Report, not to exceed \$2,831,074
California) Statewide Community Infrastructure Program Assessment District No. 16-03 (City of Manteca, County of San Joaquin, California)	per Engineer's Report, not to exceed \$5,083,000

RESOLUTION NO. 16SCIP-

A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$13,000,000 OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES 2016B; APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") in connection with the formation of seven assessment districts identified in said proceedings (the "Districts"); and

WHEREAS, this Commission is empowered under the provisions of the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act") to undertake legal proceedings for the issuance, sale and delivery of limited obligation improvement bonds (the "Local Obligations") upon the security of the recorded and unpaid assessments (the "Assessments") of the Districts; and

WHEREAS, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Law") to issue bonds of the Authority for the purpose of acquiring certain local obligations issued by the Authority, including the Local Obligations; and

WHEREAS, this Commission has determined to issue six separate series of Local Obligations, one series for each District (collectively, the "Local Obligations"), to be issued pursuant to that certain Trust Agreement (the "Trust Agreement") between the Authority and Wilmington Trust, National Association, as Trustee (the "Trustee"), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund certain public capital improvements and the payment of certain development impact fees which will, in turn, fund public capital improvements (the "Fees and Improvements"); and

WHEREAS, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority's Statewide Community Infrastructure Program Revenue Bonds, Series 2016B (the "Bonds"), to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance (the "Financing Program"); and

WHEREAS, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$13,000,000; and

WHEREAS, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing described above, there have been filed with the Secretary of the Authority and submitted to this Commission for consideration and approval at this meeting, forms of the following:

- (j) the <u>Trust Agreement</u>, described above; and
- (k) a <u>Bond Purchase Agreement</u>, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets, LLC, the underwriter (the "Underwriter") agrees to purchase the Bonds; and
- (l) a <u>Continuing Disclosure Agreement</u>, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of material events to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission; and
- (m) a Preliminary Official Statement, describing the Bonds and the Local Obligations.

WHEREAS, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Financing Program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, the requisite local agencies with jurisdiction over the areas encompassed by the Districts have determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$13,000,000; provided, however, that (a) the true interest cost on the Bonds shall not exceed 6.0%, and (b) the maximum term of any maturity shall not extend beyond the September 2, 2047.

- (n) The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegatees duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory") is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.
- (o) The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.
- (p) The form and substance of the Continuing Disclosure Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Agreement in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.
- (q) (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.
- (b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed "final" for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.
- (c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.
- (d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.
 - (r) The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution.

All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority with respect to the transactions contemplated by this resolution are hereby ratified, confirmed and approved.

(s) This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this September 15, 2016.

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 September 15, 2016.

By: ______Authorized Signatory
California Statewide Communities

Development Authority



Agenda Item No. 7

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Conduct Proceedings and Consider the Resolutions for the creation of CFD No.

2016-01 (Napa Pipe), County of Napa

BACKGROUND AND SUMMARY:

On June 2, 2016 the CSCDA Commission approved the resolution of intention to form CFD No. 2016-01 Napa Pipe. The original public hearing was set for July 7, 2016 and continued until today's meeting.

Summary of Project:

The Napa Pipe Redevelopment Project (the "Project") was established to finance environmental remediation for a proposed project in the County of Napa through the establishment of a community facilities district (CFD). The environmental remediation consists of the removal of soil contamination for the development of a 154 acre project that includes high density residential development with open space, neighborhood-servicing retail, restaurants, a hotel and a Costco on the eastern portion of the site. The Project is located in the southern portion of Napa County, just outside the Napa city limits. Attachment A is an artist's renderings of the future development.

On March 22, 2016, the Napa County Board of Supervisors approved the formation of the CFD by CSCDA. Napa County anticipates this project will bring significant economic benefit to the area, in addition to much needed housing.

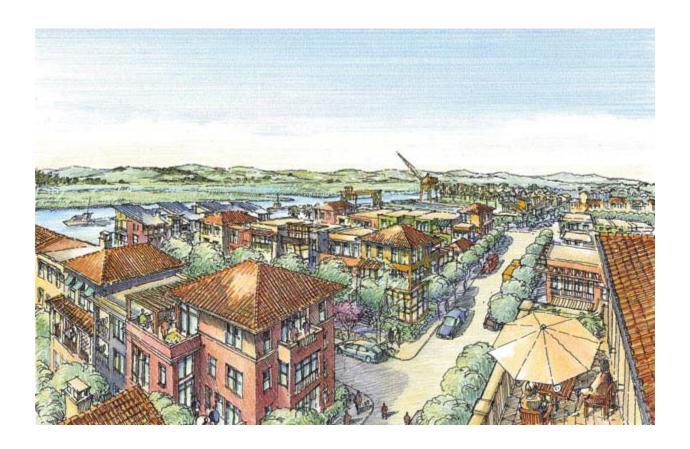
The amount of bonds to be issued will not exceed \$25 million.

RECOMMENDED ACTIONS:

CSCDA's Executive Director recommends that the Commission:

- 1. Open Continued Public Hearing.
- 2. Close Public Hearing.
- 3. Consider the following resolutions relating to the formation of and special election within CFD No. 2016-01 (Napa Pipe):
 - a. Resolution of formation establishing CFD No. 2016-01 (Napa Pipe), and providing for the levy of a special tax to finance certain environmental remediation.
 - b. Resolution deeming it necessary to incur bonded indebtedness to finance certain environmental remediation within CFD No. 2016-01 (Napa Pipe).
 - c. Resolution calling special mailed-ballot election within CFD No. 2016-01 (Napa Pipe).
- 4. Conduct special election within CFD No. 2016-01 (Napa Pipe).
- 5. Consider resolution declaring results of special mailed-ballot election within CFD No. 2016-01 (Napa Pipe).
- 6. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2016-2017 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California"

ATTACHMENT A



RESOLUTION NO. 16SCIP-

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION OF FORMATION ESTABLISHING CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA, AND PROVIDING FOR THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE CERTAIN ENVIRONMENTAL REMEDIATION

WHEREAS, the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority") duly adopted its Resolution No. 16SCIP-2 (the "Resolution of Intention") on June 2, 2016, wherein the Commission declared its intention to and proposed to establish a community facilities district within the jurisdictional boundaries of the County of Napa, California (the "County"), to be designated and known as "California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California" (the "Community Facilities District"), to authorize levying a special tax therein to finance certain environmental remediation (the "Remediation"), all under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"); and

WHEREAS, the resolution of the County approving formation of the Community Facilities District and the joint community facilities agreement with the Authority is attached as Exhibit A to the Resolution of Intention, and incorporated therein by reference and such resolution is incorporated herein by reference (the "County Resolution"); and

WHEREAS, the County Resolution describes the project within the proposed Community Facilities District and approves a joint communities facilities agreement under the authority of Section 53316.2 of the Act and the form of such joint communities facilities agreement is embodied in the County Resolution; and

WHEREAS, the County Resolution further provides that the adoption of a Resolution of Intention for the Community Facilities District by the Commission will act as an acceptance, by the Authority, of the terms of the joint community facilities agreement embodied in the County Resolution; and

WHEREAS, by its adoption of the Resolution of Intention the Commission accepted the terms of the joint community facilities agreement embodied in the County Resolution; and

WHEREAS, the Resolution of Intention fixed a time and place for a public protest hearing (the "Public Hearing") to be held by the Commission to consider the establishment of the Community Facilities District, the authorization of the special tax to be levied and collected within the Community Facilities District (the "Special Tax"), the proposed rate, method of apportionment and manner of collection of the Special Tax, the Remediation proposed to be authorized to be paid for with the proceeds of the Special Tax collections, the establishment of an appropriations limit

for the Community Facilities District, and all other matters set forth in the Resolution of Intention; and

WHEREAS, the Resolution of Intention the Commission approved the boundary map, as provided for and described in California Streets and Highways Code Section 3110, entitled "Proposed Boundaries of California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California," as shown in Exhibit B thereto, which Boundary Map was recorded on June 16, 2016, in the Book of Maps of Assessment and Community Facilities Districts maintained by the County Recorder of the County of Napa in Book 3 at Pages 39-43, and as Instrument No. 2016-0014605; and

WHEREAS, Exhibit D to the Resolution of Intention, and incorporated therein by reference, is the rate and method of apportionment of the Special Tax for the Community Facilities District (the "Initial RMA");

WHEREAS, the Commission now desires to amend and restate the Initial RMA to reduce the maximum special tax of one zone area; and

WHEREAS, there has been submitted to the Commission an amended and restated rate and method of apportionment of the Special Tax for the Community Facilities District (the "Amended RMA"); and

WHEREAS, pursuant to the Resolution of Intention, the Authority's special tax consultant, David Taussig & Associates (the "Special Tax Consultant"), on behalf of the County, submitted a report (the "Hearing Report") to the Commission on the need for and estimated cost of the proposed Remediation to be financed; and

WHEREAS, the Commission has reviewed the Hearing Report, and it is incorporated herein by this reference and made a part of the record of the Public Hearing; and

WHEREAS, pursuant to the Resolution of Intention, the Public Hearing was set by the Commission for Thursday, July 7, 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814; and

WHEREAS, Bond Counsel has filed a certificate with the Commission establishing that proper and timely notice of the Public Hearing was published in the *NAPA VALLEY REGISTER* and that proper and timely notice was mailed to the sole landowner within the Community Facilities District; and

WHEREAS, the Public Hearing was opened and initially continued to Thursday, August 4, 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814 (the "First Continued Public Hearing"), and further continued to Thursday, September 15, 2016, at the hour of 2:00 o'clock P.M., at the offices of the California State Association of Counties, 1100 K Street, Sacramento, California 95814 (the "Second Continued Public Hearing"); and

WHEREAS, a first Notice of Continuance of Public Hearing (the "First Notice of Continuance of Public Hearing") was posted at a conspicuous place at or near the door of the

offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814, and said posting was done immediately after the first continuance of the Public Hearing and the adjournment of the regular meeting of the Authority scheduled for 2:00 o'clock P.M. on July 7, 2016; and

WHEREAS, a second Notice of Continuance of Public Hearing (the "Second Notice of Continuance of Public Hearing") was posted at a conspicuous place at or near the door of the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814, and said posting was done immediately after the First Continued Public Hearing and the adjournment of the regular meeting of the Authority scheduled for 2:00 o'clock P.M. on August 4, 2016; and

WHEREAS, at or shortly after the time set forth in the Second Notice of Continuance of Public Hearing, the Commission held the Second Continued Public Hearing at the place designated to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of the Special Tax, the Remediation proposed to be financed, the establishment of the appropriations limit, and all other matters set forth in the Resolution of Intention; and

WHEREAS, at the Second Continued Public Hearing all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District were given an opportunity to appear and to be heard, and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the establishment of the Community Facilities District and the levy of the Special Tax, or the extent of the Community Facilities District, or the financing of the proposed Remediation, or the establishment of the appropriations limit for the Community Facilities District, or any other matters set forth in the Resolution of Intention, was heard and considered; and

WHEREAS, all registered voters residing within the boundaries of the proposed Community Facilities District, if any, and all owners of land within the boundaries of the proposed Community Facilities District that would not be exempt from the proposed levy of Special Tax, were allowed to submit written protests to any aspect of the proposals contained in the Resolution of Intention, and permitted to withdraw their protests prior to the close of the Second Continued Public Hearing; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Except to the extent inconsistent with this Resolution, the Resolution of Intention is reaffirmed, and its provisions and findings are, to that same extent, incorporated herein by this reference.

The Commission finds and determines that as of the close of the Second Continued Public Hearing, written protests, if any, to the establishment of the Community Facilities District, or to the levy of the Special Tax, or to the extent of the Community Facilities District, or to the Remediation described in the Resolution of Intention, or to the establishment of the appropriations limit for the Community Facilities District, or to any other matters contained in the Resolution of Intention, were submitted by less than 50 percent of the registered voters, or by less than six of the registered voters, if any, residing within the Community Facilities District. Similarly, the Commission finds that at the close of the Second Continued Public Hearing, such written protests, if any, were submitted by the owners of less than one-half of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the Special Tax. Thus, the Commission finds that it is not precluded, by the Act, from proceeding further in this matter. The Commission hereby further orders and determines that all protests to the establishment of the Community Facilities District, or the levy of the Special Tax proposed to be levied therein, or the extent of the Community Facilities District, or the Remediation, or the establishment of the appropriations limit for the Community Facilities District, that may have been submitted, have been considered and are hereby overruled.

The Remediation authorized to be financed by and through the Community Facilities District are those identified in the County Resolution and more particularly described on Exhibit A attached to the Resolution of Intention, which by this reference is incorporated herein and made a part of this Resolution. A remedial investigation, feasibility study and remedial action report, dated June 2007, and a remedial design and implementation plan, dated October 2010, have been provided to the Commission and set forth the plan for the Remediation. The Commission hereby finds and declares that the Remediation on private property provides a public benefit to the Community Facilities District.

The cost of financing the Remediation includes incidental expenses comprising the costs of engineering, planning, design, construction staking, materials testing and coordination of the Remediation, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of any bonds, the determination of the amount of the Special Tax or the collection or payment of the Special Tax and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the Remediation. A representative list of incidental expenses proposed to be incurred are set forth on Exhibit C attached to the Resolution of Intention, which by this reference is incorporated herein and made a part of this Resolution.

The Amended RMA, including the maximum annual special tax, shall be as set forth in Exhibit A, attached hereto and is incorporated herein and made a part hereof. The Amended RMA provides sufficient detail to allow each landowner or resident within the Community Facilities District to estimate the maximum amount that such person will have to pay, and specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied. The Amended RMA does not increase the probable special tax described in the Initial RMA to be paid by any landowner or resident within the Community Facilities District and, therefore, the Hearing Report does not include a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by any owners of such lots or parcels of land in the Community Facilities District pursuant to Section 16 of the Resolution of Intention.

As required by the Act: (1) the maximum authorized Special Tax for financing the Remediation that may be levied against any parcel of land used for private residential purposes (which use commences no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount and shall not increase by more than two percent (2%) per year; (2) the Special Tax shall not be levied for Remediation against such property after the times stated in the RMA; and (3) under no circumstances shall the Special Tax be increased on such property, as a consequence of delinquency or default by the owner of any other parcel or parcels of land within the Community Facilities District, by more than ten percent (10%) above the level that would have been levied had there been no delinquencies.

If the election referred to in Section 12 hereof results in the approval of the ballot measure described herein, then upon recordation of a Notice of Special Tax Lien pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the Special Tax (as defined in the RMA) shall attach to all nonexempt real property in the Community Facilities District, which lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien cancelled in accordance with law or until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act.

If the election referred to in Section 12 hereof results in the approval of the ballot measure described herein, then except where funds are otherwise available, the Special Tax shall be annually levied within the Community Facilities District in an amount sufficient to finance the Remediation, including but not limited to the payment of interest on and principal of any bonds to be issued to finance the Remediation; the making of lease payments for any public facilities (whether in conjunction with the issuance of certificates of participation or not); and the repayment of funds advanced by the County for the Community Facilities District and including the repayment under any acquisition, deposit or other agreement (which shall not constitute a debt or liability of the Authority) of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District; shall be annually levied within the Community Facilities District.

If the election referred to in Section 12 hereof results in the approval of the ballot measure described herein, then the Special Tax will be collected through the regular County of Napa secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes; however, the Commission reserves the right to utilize any other lawful means of billing, collecting and enforcing the Special Tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the Special Tax lien.

Should any property subject to the Special Tax be acquired by a public agency and then leased for private purposes, the Commission, pursuant to Section 53340.1 of the Act, will levy the Special Tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the Special Tax), to be payable by the owner of the leasehold or possessory interests in such property.

The Commission, pursuant to Section 53325.7 of the Act, hereby establishes the initial appropriations limit (fiscal year 2015-2016), as defined by subdivision (h) of Section 8 of

Article XIIIB of the California Constitution, for the Community Facilities District in the amount of \$3,500,000, subject to voter approval.

The Commission will submit the authorizations of this Resolution to the qualified electors of the Community Facilities District in a special mailed-ballot election. Based on findings to be formally made by the Commission in a resolution to be adopted this date calling a special mailed-ballot election within the Community Facilities District, to which reference is made for further particulars, the qualified electors of the Community Facilities District are the landowners owning property that will not be exempt from the Special Tax within the Community Facilities District, in accordance with Section 53326(b) of the Act.

In the opinion of the Commission, the public interest will not be served by allowing the property owners in the Community Facilities District to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

The firm of David Taussig & Associates, 5000 Birch Street, Suite 6000, Newport Beach, California 92660, telephone (949) 955-1500, will be responsible for annually preparing, or causing to be prepared, the roll of Special Tax levies on the parcels within the Community Facilities District identified by Napa County Assessor's parcel numbers, and will be responsible for estimating future Special Tax levies pursuant to Section 53340.2 of the Act.

The Developer has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The Commission proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

The Commission finds and determines that all proceedings conducted and approved by the Commission with respect to the establishment of the Community Facilities District, up to and including the adoption of this Resolution, and the other Resolutions adopted this date in connection with the Community Facilities District, are valid and in conformity with the requirements of the Act, and this determination is final and conclusive for all purposes and is binding upon all persons. Accordingly, the Commission finds, determines and orders that the Community Facilities District is hereby established with all of the authorities described and set forth in this Resolution, the exercise of which is subject only to the election.

This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September, 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

By:

Authorized Signatory

California Statewide Communities

Development Authority

RESOLUTION NO. 16SCIP-

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS TO FINANCE CERTAIN ENVIRONMENTAL REMEDIATION WITHIN CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA

WHEREAS, the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority") duly adopted its Resolution No. 16SCIP-2 (the "Resolution of Intention") on June 2, 2016 wherein it declared its intention to establish a community facilities district within the jurisdictional boundaries of the County of Napa (the "County") under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California" (the "Community Facilities District"), and to levy a special tax (the "Special Tax") therein to finance certain environmental remediation (the "Remediation," as that term is defined in the Resolution of Intention) that will assist in mitigating the impact on the need for public facilities occasioned by new development that has occurred or is expected to occur within the boundaries of the Community Facilities District; and

WHEREAS, the Commission also adopted Resolution No. 16SCIP-3 (the "Resolution to Incur Bonded Indebtedness") on June 2, 2016, declaring its intention to incur a bonded indebtedness in the principal amount of not to exceed twenty-five million dollars (\$25,000,000) to finance certain environmental remediation described in the Resolution of Intention; and

WHEREAS, the Resolution to Incur Bonded Indebtedness fixed a time and place for a public protest hearing (the "Public Hearing") to be held by the Commission to consider incurring the proposed debt and to consider any other matters set forth in the Resolution to Incur Bonded Indebtedness; and

WHEREAS, the Resolution to Incur Bonded Indebtedness directed the Authority's Bond Counsel to prepare, mail and publish a Notice of Public Hearing in accordance with the requirements of the Act; and

WHEREAS, the Public Hearing was opened by the Commission on Thursday, July 7, 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814, and was initially continued to Thursday, August 4, 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814 (the "First Continued Public Hearing"), and was further continued to Thursday, September 15, 2016, at the hour of 2:00 o'clock P.M., at the offices of the California State Association of Counties, at 1100 K Street, Sacramento, California 95814 (the "Second Continued Public Hearing"); and

WHEREAS, Bond Counsel has filed a certificate with the Authority Secretary that the Notice of Public Hearing was properly prepared, mailed and published in accordance with the requirements of the Act (the "Certificate of Mailing and Publication of Notice of Public Hearing"); and

WHEREAS, there is on file with the Authority Secretary a certificate that the first Notice of Continuance of Public Hearing (the "First Certificate of Posting Notice of Continuance of Public Hearing") was posted at a conspicuous place at or near the door of the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California 95814, immediately after the first continuance of the Public Hearing and the adjournment of the regular meeting of the Authority scheduled for 2:00 o'clock P.M. on July 7, 2016; and

WHEREAS, there is on file with the Authority Secretary a certificate that the second Notice of Continuance of Public Hearing (the "Second Certificate of Posting Notice of Continuance of Public Hearing") was posted at a conspicuous place at or near the door of the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California 95814, immediately after the second continuance of the Public Hearing and the adjournment of the regular meeting of the Authority scheduled for 2:00 o'clock P.M. on August 4, 2016; and

WHEREAS, the Second Continued Public Hearing was held by the Commission on Thursday, September 15, 2016, at the hour of 2:00 o'clock P.M., at the offices of the California State Association of Counties, 1100 K Street, Sacramento, California 95814. At the Second Continued Public Hearing the Commission considered the amount and the term of the bonds proposed to be authorized by the Community Facilities District, and all other matters set forth in the Resolution to Incur Bonded Indebtedness; and at the Second Continued Public Hearing all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and to be heard on, and they were permitted to present any matters relating to, the necessity for incurring the bonded indebtedness to finance the costs of the Remediation described in the Resolution of Intention; and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the authorization to

issue bonds of the Community Facilities District or any other matters set forth in the Resolution to Incur Bonded Indebtedness, was heard and considered; and

WHEREAS, all registered voters residing within the boundaries of the proposed Community Facilities District, if any, and all owners of land within the boundaries of the proposed Community Facilities District that would not be exempt from the proposed levy of Special Tax, were allowed to submit written protests against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness, and permitted to withdraw their protests prior to the close of the Second Continued Public Hearing; and

WHEREAS, the Commission has adopted on this date its Resolution No. 16SCIP—establishing the Community Facilities District (the "Resolution of Formation") which sets forth the Special Tax to be authorized within the Community Facilities District and the Remediation that may be financed with the proceeds of the Special Tax collections; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. The Commission accepts the Certificate of Mailing and Publication of Notice of Public Hearing, the First Certificate of Posting Notice of Continuance of Public Hearing, dated July 7, 2016, and the Second Certificate of Posting Notice of Continuance of Public Hearing, dated August 4, 2016, and finds, based thereon, that proper notice of the Second Continued Public Hearing has been given in accordance with the Act, and that the Second Continued Public Hearing was conducted with proper and legal notices in all respects.

Section 3. The Commission finds and determines that at the close of the Second Continued Public Hearing, written protests, if any, against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness, were submitted by less than 50 percent of the registered voters, or by less than six of the registered voters, if any, residing within the Community Facilities District. Similarly, the Commission finds that at the close of the Second Continued Public Hearing, such written protests, if any, were submitted by the owners of less than one-half of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the Special Tax. Thus, the Commission finds that it is not precluded, by the Act, from proceeding further in this matter. The Commission hereby further orders and determines that all protests against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness that may have been submitted, have been considered and are hereby overruled.

Section 4. The Commission hereby declares that the public convenience and necessity require that a bonded indebtedness be incurred to finance the Remediation described in the Resolution of Intention. The authorization to finance the Remediation includes incidental expenses for the Remediation comprising the costs of planning and designing the Remediation,

together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of debt (as that term is defined in the Act, "Debt"), the determination of the amount of any Special Taxes or the collection or payment of any Special Taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the Remediation. Such costs and expenses are further described in Exhibit C to the Resolution of Intention.

Section 5. The whole of the territory within the Community Facilities District will be benefited by the Debt and will be subject to the Special Tax to pay for the Debt.

Section 6. The amount of the proposed Debt to be incurred to finance certain environmental remediation shall not exceed twenty-five million dollars (\$25,000,000), which amount may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the Debt is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the Debt is issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any Debt of the Community Facilities District estimated to be due and payable within two (2) years of issuance, election costs, and all costs of issuance of the Debt, including, but not limited to, underwriter's discount fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

Section 7. The maximum term of any Debt shall not exceed thirty (30) years from the date of its issuance.

Section 8. The maximum annual rate or rates of interest to be paid on any Debt shall not exceed twelve percent (12%) per annum, payable at least annually the first year and semiannually thereafter.

Section 9. Pursuant to Section 53353.5 of the Act, the authority to levy the Special Tax to finance the Remediation, the question of setting the appropriations limit for the Community Facilities District, and the question whether the Community Facilities District will be authorized to incur Debt shall be combined into a single ballot question, and submitted to the qualified electors of the Community Facilities District at a special mailed-ballot election with ballots to be delivered to the Authority Secretary no later than 2:00 p.m. on September 15, 2016. If prior to that time the Authority Secretary shall have received all of the eligible ballots to be cast, pursuant to Section 53351(j) of the Act, the Authority Secretary will at that time declare the election closed.

Section 10. The election shall be conducted in accordance with the Commission's Resolution No. 16SCIP-_ calling a special mailed-ballot election, to be adopted this date, to which reference is made for further particulars.

Section 11. If the ballot proposition receives the approval of two-thirds (2/3) or more of the votes cast on the proposition, the Debt may be issued and sold for the purpose for

which it was authorized, and the Debt (except where funds are otherwise available) shall be paid exclusively from the annual levy of the Special Tax and is not and shall not be secured by any other taxing power or funds of the Authority or the City.

Section 12. It is the intention of the Commission that any Debt issued shall be callable (may be redeemed prior to their maturity dates) in accordance with the terms of the Act.

<u>Section 13.</u> This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September, 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

By:

Authorized Signatory
California Statewide Communities
Development Authority

RESOLUTION NO. 16SCIP-

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

RESOLUTION CALLING SPECIAL MAILED-BALLOT ELECTION WITHIN CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA

WHEREAS, the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority"), on June 2, 2016, adopted its Resolution No. 16SCIP-2 (the "Resolution of Intention") and its Resolution No. 16SCIP-3 (the "Resolution to Incur Bonded Indebtedness") thereby initiating proceedings to establish a community facilities district within the jurisdictional boundaries of the County of Napa, California, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California" (the "Community Facilities District"); and

WHEREAS, both the Resolution of Intention and the Resolution to Incur Bonded Indebtedness set public protest hearings to be held concurrently on July 7, 2016, at the hour of 2:00 o'clock P.M. (the "Public Hearing"), which public hearing was initially continued to August 4, 2016, at the hour of 2:00 o'clock P.M. (the "First Continued Public Hearing") and further continued to September 15, 2016, at the hour at the hour of 2:00 o'clock P.M. (the "Second Continued Public Hearing"); and

WHEREAS, a first Notice of Continuance of Public Hearing (the "First Notice of Continuance of Public Hearing") was posted at a conspicuous place at or near the door of the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California 95814, and said posting was done immediately after the first continuance of the Public Hearing and the adjournment of the regular meeting of the Authority scheduled for 2:00 o'clock P.M. on July 7, 2016; and

WHEREAS, a second Notice of Continuance of Public Hearing (the "Second Notice of Continuance of Public Hearing") was posted at a conspicuous place at or near the door of the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California 95814, and said posting was done immediately after the second continuance of the Public Hearing and the adjournment of the regular meeting of the Authority scheduled for 2:00 o'clock P.M on August 4, 2016; and

WHEREAS, on September 15, 2016, at the time and place specified in the Second Notice of Continuance of Public Hearing, the Second Continued Public Hearing was held by the Commission, and at the close of the Second Continued Public Hearing, the Commission determined that there was no majority protest under Section 53324 of the Act; and

WHEREAS, at the conclusion of the Second Continued Public Hearing, the Commission adopted its Resolution No. 16SCIP-__ establishing the Community Facilities District (the "Resolution of Formation") pursuant to Section 53325.1 of the Act, and its Resolution No. 16SCIP-__ Deeming it Necessary to Incur Bonded Indebtedness (the "Resolution Deeming it Necessary to Incur Bonded Indebtedness") pursuant to Section 53351 of the Act; and

WHEREAS, in order to proceed with the levy of the special tax and establishment of an appropriations limitation for the Community Facilities District, as provided by the Resolution of Formation, and with the incurring of indebtedness as provided by the Resolution Deeming it Necessary to Incur Bonded Indebtedness, the three matters must be submitted to an election of the qualified electors of the Community Facilities District; and

WHEREAS, the three ballot questions just described may be combined into a single ballot measure pursuant to Section 53353.5 of the Act, as provided in the form of special election ballot attached hereto as Exhibit A and by this reference incorporated herein; and

WHEREAS, a Certificate Re Registered Voters and Landowners (the "Certificate Re Landowners") has been filed with the Authority Secretary (the "Secretary") and submitted to the Commission, certifying that as of September 15, 2016, there were no registered voters within the territory of the Community Facilities District; and

WHEREAS, a Certificate Re Receipt of Property Owner Waiver and Consent Forms (the "Certificate Re Waivers") has been submitted by the Secretary, stating that the sole Landowner, or an authorized representative of the sole Landowner, has filed with the Secretary a properly executed Waiver and Consent (as defined below) in the form attached hereto as Exhibit B, and by this reference incorporated herein; and

WHEREAS, the Commission is fully advised in this matter;

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

- **Section 1.** The above recitals are true and correct, and the Commission so finds and determines.
- **Section 2.** The Commission accepts the Certificate Re Landowners heretofore filed in these proceedings and finds, in accordance therewith, that during the ninety days just past there have been days when there were no registered voters residing within the boundaries of the Community Facilities District. Accordingly, under Section 53326(b) of the Act, the qualified elector of the Community Facilities District for the proposed special election shall be the sole owner of land within the Community Facilities District.
- **Section 3.** The Commission further finds and determines that the sole owner of land within the Community Facilities District (the "Landowner") is the landowner set forth in the Certificate Re Landowners and that the certificate correctly sets forth the amount of property owned by the sole Landowner and the number of votes to which the sole Landowner is entitled pursuant to Section 53326(b) of the Act, being the number of acres owned rounded up to the next whole acre.
- Section 4. The Commission hereby approves the form of "Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting a Mailed-Ballot Election" (the "Waiver and Consent") by which the time limits and related requirements respecting preparation and distribution of election materials are waived, a copy of which is attached hereto as Exhibit B. The Commission hereby finds that the rights, procedures and time periods therein waived are solely for the protection of the qualified electors and may be waived by the qualified electors under Sections 53326(a) and 53327(b) of the Act and under other provisions of law dealing with waiver generally, and that the Waiver and Consent constitutes a full and knowing waiver, by any qualified elector who has executed the form, of those rights, procedures and time periods.
- **Section 5.** The Commission further finds and determines, based on a Certificate Re Waivers, provided this date by the Secretary, that the sole Landowner, or an authorized representative of the sole Landowner, has filed with the Secretary a properly executed Waiver and Consent. The Commission therefore is establishing the procedures and time periods for this special mailed-ballot election without regard to statutory schedules.
- **Section 6.** Pursuant to Sections 53326 and 53351 of the Act, the Commission hereby calls an election, to be held and conducted forthwith upon adoption of this Resolution, and sets September 15, 2016, as the election date. Pursuant to Section 53326 of the Act, the election

shall be conducted by mailed ballot; provided that personal service of the ballot to an authorized representative of the sole Landowner is permitted under the terms of the Waiver and Consent form on file with the Secretary and shall therefore be permitted. Bond Counsel is directed to either mail or make personal service of the ballot, in the form of the attached Exhibit A, to the sole Landowner or, if one has been appointed pursuant to a Waiver and Consent, to the sole Landowner's authorized representative.

Section 7. The proposition to be submitted to the qualified electors of the Community Facilities District shall be as set forth in the form of special election ballot attached hereto as Exhibit A.

Section 8. The Secretary is hereby designated as the official to conduct the special mailed-ballot election pursuant to the Act and California Elections Code Sections 307 and 320 and the following provisions:

- (a) The special election shall be held and conducted, and the votes canvassed and the returns made, and the results determined, as provided herein; and in all particulars not prescribed by this Resolution the special election shall be held and conducted and the votes received and canvassed in the manner provided by law for the holding of special elections consistent with the Act.
- (b) The sole Landowner within the Community Facilities District as of the close of the Continued Public Hearing shall be qualified to vote upon the proposition to be submitted at the special election.
- (c) The special election shall be conducted as a mailed-ballot election, in accordance with the provisions of the Act and the proceedings of the Commission, and there shall be no polling places for the special election. The ballot shall be delivered or mailed by Bond Counsel to the sole Landowner, and the voted ballot is required to be received by the Secretary not later than 2:00 o'clock P.M. on the day of the election in order to be counted. However, if at any time the Secretary determines that all votes have been cast, the Secretary shall immediately declare the election closed.
- (d) The voter desiring to vote in favor of the proposition to be submitted at the special election shall mark a cross (x) or similar mark in the blank space opposite the word "YES" on the ballot to the right of the proposition; and the voter desiring to vote against the proposition shall mark a cross (x) or similar mark in the blank space opposite the word "NO" on the ballot to the right of the proposition. The cross (x) or similar mark may be marked with either pen or pencil.
- (e) The Secretary shall commence the canvass of the returns of the special election, and report the returns to the Commission no later than the Commission meeting of September 15, 2016.
- (f) The Commission may thereupon declare the results of the special election, and shall cause to be spread upon its minutes a statement of the results of the special election as ascertained by the canvass.

Section 9. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September, 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

By:______Authorized Signatory

California Statewide Communities
Development Authority

EXHIBIT A

FORM OF SPECIAL ELECTION BALLOT

SPECIAL ELECTION BALLOT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA

(Mailed-Ballot Election)

This ballot is for the use of the authorized representative of the following owner of land within the California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California (the "Community Facilities District"):

Name of Landowner	Number of Acres Owned	Total Votes
Napa Redevelopment Partners, LLC		

According to the provisions of the Mello-Roos Community Facilities Act of 1982 and resolutions of the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority"), the above-named Landowner is entitled to cast the number of votes shown above under the heading "Total Votes," representing the total votes for the property owned by said Landowner.

In order to be counted, this ballot must be executed and certified below and be returned, by mail or in person, to the Secretary of the Authority, c/o Meagan Singer, Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, CA 94105-2669, prior to 9:00 a.m. on Tuesday, September 6, 2016.

Mailing by that time will not be sufficient. This ballot must be <u>received</u> by the time stated in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT.

BALLOT MEASURE

Shall the Commission (the "Commission") of the California Statewide Communities Development Authority, by and through its Community Facilities District No. 2016-01 (Napa Pipe). County of Napa, State of California (the "CFD"), be authorized to annually levy a special tax within the CFD to finance certain environmental remediation (the "Remediation"), and be authorized to incur debt in the principal amount of not to exceed twenty-five million dollars (\$25,000,000) to pay for the Remediation, including the payment, using the proceeds of the special tax collections, of principal of and interest on the debt and including the repayment of funds advanced for the authorized purposes of the CFD all as described in the Commission's Resolution of Formation and in the Commission's Resolution Deeming it Necessary to Incur Bonded Indebtedness, both adopted September 15, 2016; and shall the fiscal year 2016-17 appropriations limit for the District be established in the amount of three million five hundred thousand dollars (\$3,500,000)?

TH AN "	
YES	
NO	

CERTIFICATION FOR SPECIAL ELECTION BALLOT

The undersigned declares under penalty of perjury under the laws of the State of California that such person is the authorized representative of the above-named Landowner and is legally authorized and entitled to cast this ballot on behalf of the above-named Landowner and to bind the Landowner thereby, and that this ballot is signed by the undersigned as of the date set forth below.

Date:	NAPA REDEVELOPMENT PARTNERS, LLC a Delaware limited liability company	
	By:	Rogal & Partners, LLC, A Delaware limited liability company, Its Administrative Member
		By:Name: Keith Rogal Title: Manager

[SIGNATURE TO BE NOTARIZED]

EXHIBIT B

FORM OF WAIVER AND CONSENT

WAIVER AND CONSENT SHORTENING TIME PERIODS AND WAIVING VARIOUS REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA

Napa Redevelopment Partners, LLC, a Delaware limited liability company (the "Owner") is the owner of the real property listed below by Assessor's Parcel Number ("APN"), which is within the California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California (the "Community Facilities District"). The APNs are:

The Owner understands that a special mailed-ballot, landowner election will be held to determine whether the authority to levy an annual special tax on property within the Community Facilities District, including the above-numbered parcels, to finance certain environmental remediation, and to incur indebtedness to be secured and repaid by the special tax, and to establish an appropriations limit for the Community Facilities District, all as set forth in two resolutions related to the Community Facilities District to be considered by the Commission of the California Statewide Communities Development Authority on September 15, 2016 (the Resolution of Formation and the Resolution Deeming it Necessary to Incur Bonded Indebtedness), will be conferred upon that Commission.

The Owner requests that the election be conducted at the earliest possible date.

The Owner is the entity legally entitled and authorized to cast the ballot attributable to the above-referenced parcels in the landowner, mailed-ballot election.

The Owner hereby waives any and all minimum time periods relative to the election pursuant to California Government Code Section 53326(a).

The Owner hereby waives the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of California Government Code Section 53327(b).

The Owner hereby waives the requirement to publish notice of the election under California Government Code Section 53352.

The Owner hereby waives the requirements regarding the time to mail ballots to the qualified electors under California Elections Code Section 4101, and agrees that either mailed service or personal service of the ballot will be sufficient.

The Owner hereby waives the requirements regarding identification envelopes for the return of mailed ballots contained in California Government Code Section 53327.5.

The Owner hereby waives any and all defects in notice or procedure in the conduct of the election, whether known or unknown (except the right to vote and to have the ballots fairly counted), and states that the election is being expedited, pursuant to this Waiver and Consent, at the particular instance and request of the Owner.

The Owner hereby waives any and all requirements regarding notice of amendment of the rate and method of apportionment attached as an exhibit to the Resolution of Formation from the date of the Resolution of Intention and any other information relating to such amendment of the rate and method of apportionment.

The Owner hereby consents to the levy and collection of the special tax on the above-referenced parcels in accordance with the amended rate and method of apportionment attached as an exhibit to the Resolution of Formation and hereby waives any and all rights to challenge the inclusion of the above-referenced parcels in the Community Facilities District.

Finally, the Owner will execute the ballot and cast the votes assigned to the above-listed property.

The undersigned declares under penalty of perjury under the laws of the State of California that such person is properly authorized to execute this Waiver and Consent and to bind the Owner thereby, and that the statements contained herein are true and correct and that this Waiver and Consent is signed by the undersigned as of the date set forth below.

Date:	NAPA REDEVELOPMENT PAR a Delaware limited liability compa	
	-	Rogal & Partners, LLC, A Delaware limited liability company, Its Administrative Member
		By: Name: Keith Rogal Title: Manager

[SIGNATURE TO BE NOTARIZED]

RESOLUTION NO. 16SCIP-

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

RESOLUTION DECLARING RESULTS OF SPECIAL MAILED-BALLOT ELECTION WITHIN CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA

WHEREAS, the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority") has conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to form its California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California (the "Community Facilities District"), to authorize a special tax to finance certain environmental remediation (the "Remediation"), to authorize the issuance of debt to finance the Remediation, and to establish the appropriations limit for the Community Facilities District, all as set forth in the Commission's Resolution No. 16SCIP-__ (Resolution of Formation) and Resolution No. No. 16SCIP-__ (Resolution Deeming it Necessary to Incur Bonded Indebtedness), both adopted on September 15, 2016 (collectively, the "Formation Resolutions"); and

WHEREAS, in order to confer upon the Commission the authority contained in the Formation Resolutions, a two-thirds approving vote by the qualified electors within the Community Facilities District is required; and

WHEREAS, a special, mailed-ballot election has been conducted pursuant to the Commission's Resolution No. No. 16SCIP-__ (Resolution Calling Special Election), adopted September 15, 2016, to which reference is made for further particulars; and

WHEREAS, a Certificate Re Preparation and Distribution of Ballot has been filed with the Secretary of the Authority (the "Secretary"); and

WHEREAS, the Secretary has filed with the Commission a Certificate Re Receipt of Executed Ballots and Declaring Election Results (the "Certificate of Election Results"), dated September 15, 2016, and indicating that all ballots cast in the special, mailed-ballot election were cast in favor of the ballot proposition; and

WHEREAS, the Commission has received, reviewed and hereby accepts the Certificate of Election Results; and

WHEREAS, the Commission is fully advised in this matter;

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

- **Section 1.** The above recitals are true and correct, and the Commission so finds and determines.
- **Section 2.** The Commission hereby finds and determines and declares that the ballot measure submitted to the qualified electors of the Community Facilities District has been passed and approved by those qualified electors in accordance with Sections 53328(a) and 53355 of the Act.
- **Section 3.** The Commission hereby authorizes and directs Bond Counsel to cause a Notice of Special Tax Lien to be prepared and to be recorded with the County Recorder of the County of Napa in accordance with the provisions of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Act. The Notice of Special Tax Lien shall be recorded in the County Recorder's office within fifteen days of today's date.
 - **Section 4.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September, 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

By:_____

Authorized Signatory
California Statewide Communities
Development Authority

ORDINANCE NO. 16ORD-

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2016-2017 AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA

BE IT ENACTED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY:

SECTION 1. Pursuant to California Government Code Sections 53316 and 53340, and in accordance with the Rate and Method of Apportionment (the "RMA"), as set forth in Exhibit A of Resolution No. 16SCIP-__ (the "Resolution of Formation"), adopted September 15, 2016, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California (the "Community Facilities District"), a special tax is hereby levied on all taxable parcels within the Community Facilities District for the 2016-2017 fiscal year and for all subsequent fiscal years in the amount determined by the Community Facilities District in accordance with the RMA, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2. The Authority's special tax consultant, currently David Taussig & Associates, Inc., 5000 Birch Street, Suite 6000, Newport Beach, California 92660, telephone (949) 955-1500, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Formation) to be levied for the Community Facilities District, to prepare the annual Special Tax roll in accordance with the RMA, and to present the roll to the Commission for consideration.

SECTION 3. Upon approval by the Commission, whether as submitted or as modified by the Commission, the special tax consultant is authorized and directed, without further action of the Commission, to provide all necessary and appropriate information to the Napa County Auditor in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the Special Tax on the secured property tax roll of the County; provided, that as stated in the Resolution of Formation and in Section 53340 of the California Government Code, the Commission has reserved the right to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the Authority, including but not limited to, direct billing by the Authority to the property owners, supplemental billing and, under the circumstances provided by law, judicial foreclosure, all or any of which the Commission may implement in its discretion by resolution.

SECTION 4. The appropriate officers and agents of the Authority are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the Napa County tax roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor's parcel numbers finally utilized by the Napa County Auditor in sending out property tax bills.

SECTION 5. The Authority agrees that, in the event the Special Tax is collected on the secured tax roll of Napa County, the County may charge its reasonable and agreed charges for collecting the Special Tax as allowed by law, prior to remitting the Special Tax collections to the Authority.

SECTION 6. Taxpayers claiming that the amount of the Special Tax on their property is not correct are referred to Section F of the RMA for the proper claims procedure.

SECTION 7. If for any cause any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this Ordinance, and the application of the Special Tax to all other parcels, shall not be affected.

SECTION 8. This Ordinance shall take effect and be in force thirty (30) days after its final passage; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the area of the Community Facilities District.

* * *

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on September 15, 2016, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 6, 2016.

AYES:
NOES:
ABSENT:

By:_______Authorized Signatory

California Statewide Communities
Development Authority



Agenda Item No. 8

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consider resolution authorizing issuance of Community Facilities District No. 2016-02

(Delta Coves) Special Tax Bonds, Series 2016A and approving an indenture, bond purchase contract, official statement, continuing disclosure certificate, and related actions

in connection with the issuance, sale and delivery of such bonds

EXECUTIVE SUMMARY:

At the July 7, 2016 meeting, the CSCDA Commission adopted a resolution forming CFD No. 2016-02 (Delta Coves) located in Contra Costa County.

Delta Coves is comprised of 560 single and multifamily units located on Bethel Island. It will offer 494 residential lots and 66 condominiums to further meet the housing needs Eastern Contra Costa County.

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

Today's action is the last step of the CFD process authorizing the issuance of bonds not-to-exceed \$16,000,000.

RECOMMENDED ACTIONS:

CSCDA's Executive Director recommends the approval of a resolution authorizing issuance of Community Facilities District No. 2016-02 (Delta Coves) Special Tax Bonds, Series 2016A and approving an indenture, bond purchase contract, official statement, continuing disclosure certificate, and related actions in connection with the issuance, sale and delivery of such bonds.

RESOLUTION NO. 16SCIP-

RESOLUTION APPROVING THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-02 (DELTA COVES) SPECIAL TAX BONDS, SERIES 2016A; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS; APPROVING A BOND PURCHASE CONTRACT PROVIDING FOR THE SALE OF SUCH BONDS; APPROVING AN OFFICIAL STATEMENT; APPROVING A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE SALE OF SUCH BONDS; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS

WHEREAS, the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority") has determined to issue not to exceed \$16,000,000 principal amount of its California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves) Special Tax Bonds, Series 2016A (the "Bonds"); and

WHEREAS, there has been made available to the Commission a form of the Indenture (the "Indenture") providing for the issuance of the Bonds; and

WHEREAS, the Commission has carefully considered the terms and conditions of the Indenture; and

WHEREAS, RBC Capital Markets, LLC (the "Underwriter") has proposed to submit an offer to purchase the Bonds pursuant to a Bond Purchase Contract (the "Purchase Contract") in substantially the form made available to the Commission; and

WHEREAS, the Commission has considered carefully the terms and conditions of the Purchase Contract, and has determined that a private sale of the Bonds to the Underwriter in accordance with the Purchase Contract would result in a lower overall cost to the Authority; and

WHEREAS, the Authority has caused to be prepared an Official Statement in preliminary form relating to the Bonds, a copy of which has been made available to the Commission; and

WHEREAS, the Authority has caused to be prepared a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the purpose of making undertakings to provide certain annual financial information and notice of material events as required by Securities Exchange Commission Rule 15c2-12(b)(5) (the "Rule");

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

Section 1. The Commission finds and determines that the foregoing recitals are true and correct.

Section 2. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the "California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves), Series 2016A" in an aggregate principal amount not to exceed sixteen million dollars (\$16,000,000). A portion of the Bonds shall be allocable to Improvement Area No. 1 in the aggregate principal amount not to exceed \$15,000,000 and to Improvement Area No. 2 in the aggregate principal amount not to exceed \$2,000,000. 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 Indenture as made available to the Commission. 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 delegatees duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 3. The Indenture providing for the issuance of the Bonds, in substantially the form made available to the Commission, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority to execute the Indenture in substantially said form, with such changes or additions 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 of the Indenture. 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 Indenture, as finally executed.

Section 4. The Purchase Contract providing for the sale of the Bonds, in substantially the form made available to the Commission, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed to execute the Purchase Contract in substantially said form, with such changes or additions thereto 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 of the Purchase Contract, and the Secretary is hereby authorized and directed to deliver the Purchase Contract; provided, that, the true interest cost on the Bonds shall not exceed 6.0% per annum and the final maturity of the Bonds shall not be later than September 1, 2047.

Section 5. The Official Statement in preliminary form (the "Preliminary Official Statement") relating to the Bonds, in substantially the form made available to the Commission, is hereby approved, and any Authorized Signatory is hereby authorized and directed to certify to the Underwriter that the Preliminary Official Statement is deemed to be final as of its date, except for certain final pricing and related information permitted to be omitted in accordance with the Rule, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Preliminary Official Statement to prospective purchasers of the Bonds, and any Authorized Signatory is hereby authorized to execute and deliver an Official Statement in final form (the "Final Official Statement") relating to the Bonds in substantially the form of the Preliminary Official Statement, which Final Official Statement shall include final pricing and related information and other changes, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such

execution and delivery of the Final Official Statement, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Final Official Statement to all purchasers of the Bonds.

Section 6. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially the form made available to the Commission, with such changes or additions, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery.

Section 7. The Chair, Vice Chair, Secretary, Treasurer, any other members of the Commission and other appropriate officers and agents of the Authority, including the Authorized Signatories are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents and contracts they deem necessary or advisable for consummating the sale, execution, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution, the Indenture, the Bonds, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, and the Official Statement. All such actions previously taken by the Authorized Signatories are hereby ratified, confirmed, and approved.

Section 8. This Resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

Authorized Signatory California Statewide Communities **Development Authority**



Agenda Item No. 9

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of the approval of an Assessment Contract and Indenture and the

issuance of Limited Obligation Improvement Bonds not to exceed \$12,000,000 to provide financing for the installation of renewable energy improvements on a commercial property for Pacific Ethanol in the County of Madera for the

CaliforniaFIRST PACE program

BACKGROUND AND SUMMARY:

The CaliforniaFIRST program authorization requires that any commercial PACE transactions over \$10 million come before the CSCDA Commission for approval.

CSCDA has received an application through the CaliforniaFIRST program to finance qualifying improvements for the Pacific Ethanol located in the unincorporated area of Madera County. A summary of the financing is as follows:

Project: Installation of 4MW solar PV system

Financing Amount: Not-to-exceed \$12,000,000

Financing Term: 20 years

Electricity Savings: \$1,304,600 in first year **Net 20 Year Savings:** \$19,486,757 (estimated) **Solar Contractor:** Borrego Solar Systems

Est. Completion Date: May 2017

Capital Provider: CleanFund Commercial PACE Capital

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of an Assessment Contract and Indenture and the issuance of Limited Obligation Improvement Bonds not to exceed \$12,000,000 to provide financing for the installation of renewable energy improvements on a commercial property Pacific Ethanol under the CaliforniaFIRST PACE program.

ATTACHMENT A

A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF AN ASSESSMENT CONTRACT AND AN INDENTURE, AUTHORIZING THE ISSUANCE OF "CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, CALIFORNIA FIRST LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2016-NR4," AND APPROVING AND DIRECTING RELATED DOCUMENTS AND ACTIONS

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code of the State of California (beginning with Section 5898.10) ("Chapter 29") to levy contractual assessments to finance the installation of certain improvements; and

WHEREAS, this Commission previously adopted resolutions (the "Resolutions of Intention") to initiate proceedings to establish the CaliforniaFIRST program (the "Program"), pursuant to which California Communities would enter into contractual assessments to finance improvements authorized by Chapter 29 ("Authorized Improvements"); and

WHEREAS, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code of the State of California (as amended, the "Bond Law"); and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the proposed area of the Program (the "Program Area"), the Commission adopted resolutions (collectively, as subsequently amended, the "Resolutions Confirming Program Report"), pursuant to which the Commission, among other things, (i) confirmed and approved a report (as subsequently amended, the "Program Report") addressing all the matters required by Chapter 29, including a draft agreement between California Communities and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Signatories (as defined therein) to execute agreements ("Assessment Contracts") with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of Authorized Improvements; and

WHEREAS, under Chapter 29 and the Bond Law, the Commission adopted resolutions authorizing the issuance of one or more series of improvement bonds of California Communities upon the security of assessments levied on the participating parcels within the Program Area under Chapter 29 and the Bond Law, and provided that the issuance of the bonds would be in

accordance with the Bond Law and an indenture and authorized the execution thereof (the "Original Resolutions of Issuance"); and

WHEREAS, in connection with the Program, California Communities subsequently obtained default judgments related to the Program in three judicial validation actions initiated in the Superior Court of the State of California, County of Sacramento; and

WHEREAS, the Authority wishes to issue a series of Bonds to be captioned "California Statewide Communities Development Authority, California FIRST Limited Obligation Improvement Bonds, Series 2016-NR4" (the "Bonds") to provide financing for the installation of Authorized Improvements on a parcel of real property located in the County of Madera pursuant to an Indenture (the "Indenture") between the Authority and Wilmington Trust, National Association, as trustee; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to the execution and delivery of the Indenture and the issuance of Bonds, exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the Bond Law; and

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

- 1. Pursuant to the Bond Law, this Resolution and the Indenture, the Bonds are hereby authorized to be issued in the aggregate principal amount not to exceed \$12,000,000. The Bonds shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the Indenture. The Commission finds that the issuance of the Bonds complies with the Act, Bond Law and applicable Original Resolution of Issuance.
- 2. The Commission hereby approves the sale of the Bonds to CleanFund Commercial PACE Capital, Inc. or an affiliate of such entity (the "Bond Purchaser"), as long as such sale complies with the CSCDA Financing Policy.
- 3. The Commission hereby approves the Indenture in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Indenture for and in the name of the Authority for the Bonds. The Commission hereby authorizes the delivery and performance of the Indenture for the Bonds.
- 4. The Commission hereby approves the assessment contract entitled "Agreement to Pay Assessment and Finance Improvements" (the "Assessment Contract") in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Assessment Contract for and in the name of the Authority in connection with the issuance of the Bonds. The Commission hereby authorizes the delivery and performance of the Assessment Contract in connection with the Bonds.
- 5. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and direct recordation with the

applicable county recorder of a Payment of Contractual Assessment Required (pursuant to Section 5898.24(d)(1) of the Act) and notice of assessment (pursuant to Section 5898.32 of the Act) and do any and all other things and take any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority thisth day of 2016.
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 California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on, 2016.
By:
Authorized Signatory California Statewide Communities Development Authority



Agenda Item No. 10

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of resolution approving CSCDA General Obligation Revenue Bonds

(Monterey County GO Savers) Series 2016.

BACKGROUND AND SUMMARY:

General Obligation (GO) SAVERs program (the "Program") is a newly developed refunding vehicle designed to assist local school districts in California with pooling general obligation bonds for the purposes of achieving taxpayer savings. The Program takes advantage of the economies of scale achieved from sharing upfront costs, as well as the ability to homogenize the credits given the market acceptance of Orrick, Herrington & Sutcliffe's special revenues opinion. The financing before the Commission is a proposed refunding of \$42 million of bonds from five school districts within Monterey County for the purposes of dedicating 100% of savings to the local taxpayers.

PROJECT DESCRIPTION:

- Refunding of nine separate series of general obligation bonds for five school districts, all in Monterey County.
- School districts include Alisal Union School District, Chualar Union School District, Mission Union School District, Salinas Union High School District and Santa Rita Union School District.
- All will be new JPA members of CSCDA.
- All bonds are currently callable and all maturities have savings.
- All savings are to the benefit of local taxpayers.
- All refunding bonds will be current interest bonds.
- Current estimated savings (cumulative) is \$9.2 million gross, \$7.6 million present value.

PUBLIC AGENCY APPROVALS:

Santa Rita School District: May 19, 2016 Chualar School District: May 26, 2016 Mission School District: June 8, 2016

Salinas Union High School District: June 30, 2016

Alisal School District: August 24, 2016

PUBLIC BENEFITS:

100% of the savings from the refunding benefits the local property taxpayers in each of the respective school districts (approximately \$9 million in reduced debt service payments)

SOURCES AND USES:

Sources of Funds:

Tax-Exempt Bonds: \$ 42,288,602.30

Uses of Funds:

Refunding Deposits: 41,777,724.04 Costs of Issuance: \$ 496,486.63 Excess Proceeds: \$ 14,391.63

42,288,602.30

FINANCE TEAM:

Underwriter: Barclays Capital Inc., San Francisco

Orrick, Herrington & Sutcliffe, LLP, San Francisco **Bond Counsel:** Orrick, Herrington & Sutcliffe, LLP, Sacramento **Authority Counsel:**

Financial Advisor: PFM. San Francisco

FINANCE TERMS:

TBD. Approval is subject to the financing conforming to **Rating:**

CSCDA's issuance policies for investment and non-investment grade bonds.

Term:

Public offering serialized current interest bonds (G.O.) **Structure:**

October 30, 2016 **Estimated Closing:**

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval the resolution authorizing CSCDA General Obligation Revenue Bonds (Monterey County GO Savers) Series 2016 bonds.

ATTACHMENT A

RESOLUTION NO. 16-__

RESOLUTION APPROVING THE ISSUANCE AND SALE OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY GENERAL OBLIGATION REVENUE BONDS (MONTEREY COUNTY GO SAVERS BOND PROGRAM) SERIES 2016; AUTHORIZING THE EXECUTION AND DELIVERY OF A FORM OF TRUST AGREEMENT PROVIDING FOR THE ISSUANCE OF SUCH BONDS; APPROVING A FORM OF BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF SUCH BONDS; APPROVING A FORM OF BOND PURCHASE AGREEMENT FOR THE ACQUISITION OF MONTEREY COUNTY SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS; APPROVING A FORM OF OFFICIAL STATEMENT; APPROVING A FORM OF CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE SALE OF SUCH BONDS; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a public entity of the State of California, duly organized and existing pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, and the Amended and Restate Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "JPA Agreement"); and

WHEREAS, the Salinas Union High School District ("Salinas") has heretofore issued or caused to be issued its 2002 Election General Obligation Bonds, 2006 Series B in the original principal amount of \$17,000,000.00, and its 2002 Election General Obligation Bonds 2006 Refunding Series C in the original principal amount of \$27,126,993.65 (the remaining outstanding bonds from both series collectively, the "Outstanding Salinas Bonds"); and

WHEREAS, on June 30, 2016 pursuant to Resolution No. 16-91 the Salinas Board of Trustees authorized the issuance of not to exceed \$24,000,000.00 of its Salinas Union High School District 2016 General Obligation Refunding Bonds (the "Salinas Refunding Bonds") to refund all or a portion of the Outstanding Salinas Bonds; and

WHEREAS, the Alisal Union School District ("Alisal") has heretofore issued or caused to be issued its General Obligation bonds, 1999 Election, 2005 Series B (Bank Qualified) in the original principal amount of \$7,900,000.00, and its General Obligation Bonds, 1999 Election, 2006 Series C (Bank Qualified) in the original principal amount of \$5,499,996.60 (the remaining outstanding bonds of both series collectively, the "Outstanding Alisal Bonds"); and

WHEREAS, on August 24th, 2016 pursuant to Resolution No. 1617-09 the Alisal Board of Trustees authorized the issuance of not to exceed \$7,725,000.00 of its Alisal Union School District 2016 General Obligation Refunding Bonds (the "Alisal Refunding Bonds") to refund all or a portion of the Outstanding Alisal Bonds; and

WHEREAS, the Chualar Union School District ("Chualar") has heretofore issued or caused to be issued its General Obligation Bonds, Election of 2001, Series 2004 (Bank Qualified) in the original principal amount of \$979,752.10, and its General Obligation Bonds, Election of 2004, Series 2004 (Bank Qualified) in the original principal amount of \$1,000,000.00 (the outstanding bonds of both series collectively, the "Outstanding Chualar Bonds"); and

WHEREAS, on May 26, 2016, pursuant to Resolution No. 16-08 the Chualar Board of Trustees authorized the issuance of not to exceed \$2,500,000.00 of its Chualar Union School District 2016 General Obligation Refunding Bonds (the "Chualar Refunding Bonds") to refund all or a portion of the Outstanding Chualar Bonds; and

WHEREAS, the Mission Union Elementary School District ("Mission") has heretofore issued or caused to be issued its General Obligation bonds, Election of 2004, Series A in the original principal amount of \$315,000.00 of which \$255,000.00 is still outstanding (such outstanding bonds the "Outstanding Mission Bonds"); and

WHEREAS, on June 8, 2016, pursuant to Resolution No. 16-3 the Mission Board of Trustees authorized the issuance of not to exceed \$260,000.00 of its Mission Union Elementary School District 2016 General Obligation Refunding Bonds (the "Mission Refunding Bonds") to refund all or a portion of the Outstanding Mission Bonds; and

WHEREAS, the Santa Rita Union School District ("Santa Rita," and, together with Mission, Chualar, Alisa, and Salinas, the "Districts," and each individually a "District") has heretofore issued or cause to be issued its 1995 General Obligation Bonds, Series B (Bank Qualified) in the original principal amount of \$6,500,000.00; and its 2005 General Obligation Refunding Bonds (Bank Qualified) in the original principal amount of \$3,835,000.00 (such outstanding bonds of both series collectively, the "Outstanding Santa Rita Bonds"); and

WHEREAS, on May 19, 2016, pursuant to Resolution No. 16.05.71, the Santa Rita Board of Trustees authorized the issuance of not to exceed \$8,000,000.00 of its Santa Rita Union School District 2016 General Obligation Refunding Bonds (the "Santa Rita Refunding Bonds," and, together with the Mission Refunding Bonds, the Chualar Refunding Bonds, the Alisal Refunding Bonds, and the Salinas Refunding Bonds, the "Refunding Bonds") to refund all or a portion of the Outstanding Santa Rita Bonds; and

WHEREAS, each District has authorized the sale of its Refunding Bonds to the Authority in order to achieve interest cost savings and take advantage of efficiencies of sale with respect to costs of issuance; and

WHEREAS, each District has delivered to the Authority an executed counterpart of the JPA Agreement, together with a certified copy of the resolution of the governing body of the District approving the JPA Agreement and the execution and delivery thereof; and

WHEREAS, this Commission desires to approve and ratify the admission of the Districts as Program Participants of the Authority at a subsequent meeting, tentatively scheduled for October 6, 2016; and

WHEREAS, this Commission now wishes to authorize the issuance and sale of its General Obligation Revenue Bonds (Monterey County GO Savers Bond Program) Series 2016 (the "Series 2016 Monterey Bonds") in an amount not to exceed \$45,000,000; and

WHEREAS, this Commission now wishes to authorize the use of the proceeds of the Series 2016 Monterey Bonds to purchase the Refunding Bonds and to pledge the revenues generated thereby to the repayment of the Series 2016 Monterey Bonds; and

WHEREAS, there have been made available to the Commission forms of the following documents (together, the "Financing Documents") in connection with the issuance and sale of the Series 2016 Monterey Bonds:

- A Trust Agreement (the "Trust Agreement");
- A Bond Purchase Agreement (the "Bond Purchase Agreement");
- A Local Obligation Purchase Contract (the "Local Obligation Purchase Contract";
- A Preliminary Official Statement (the "Preliminary Official Statement"); and
- A Continuing Disclosure Certificate (submitted as "APPENDIX D Form of Continuing Disclosure Certificate" to the Preliminary Official Statement) (the "Continuing Disclosure Certificate");

WHEREAS, the Commission has carefully considered the terms and conditions of the Financing Documents; and

WHEREAS, Barclays Capital, Inc. (the "Underwriter") has proposed to submit an offer to purchase the Bonds pursuant to a Bond Purchase Agreement in substantially the form made available to the Commission; and

WHEREAS, the Commission has determined that a private sale of the Bonds to the Underwriter in accordance with the Bond Purchase Agreement would result in a lower overall cost to the Authority; and

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

Section 1. The Commission finds and determines that the foregoing recitals are true and correct.

Section 2. The Authority is hereby authorized to issue its revenue bonds designated as the "General Obligation Revenue Bonds (Monterey County GO Savers Bond Program) Series 2016" in an aggregate principal amount not to exceed forty-five million dollars (\$45,000,000). A portion of the proceeds of the Series 2016 Monterey Bonds shall be used to purchase the Refunding Bonds. The Series 2016 Monterey Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Trust Agreement as made available to the Commission. The Series 2016 Monterey 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 delegatees duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 3. The Trust Agreement providing for the issuance of the Series 2016 Monterey Bonds, in substantially the form made available to the Commission, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority to execute the Trust Agreement in substantially said form, with such changes or additions 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 of the Trust Agreement. 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 Series 2016 Monterey Bonds shall be as provided in the Trust Agreement, as finally executed.

Section 4. The Bond Purchase Agreement providing for the sale of the Series 2016 Monterey Bonds, in substantially the form made available to the Commission, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed to execute the Bond Purchase Agreement in substantially said form, with such changes or additions thereto 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 of the Bond Purchase Agreement, and the Secretary is hereby authorized and directed to deliver the Bond Purchase Agreement; provided, that, the true interest cost on the Series 2016 Monterey Bonds shall not exceed 6.0% per annum; the final maturity of the Series 2016 Monterey Bonds shall not be later than September 1, 2050; and the underwriter's discount shall not exceed 1% of the principal amount of the Series 2016 Monterey Bonds.

Section 5. The Local Obligation Purchase Contract providing for the sale of the Series 2016 Monterey Bonds, in substantially the form made available to the Commission, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed to execute one or more Local Obligation Purchase Contracts in substantially said form, with such changes or additions thereto 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 of the Local Obligation Purchase Contracts, and the Secretary is hereby authorized and directed to deliver one or more Local Obligation Purchase Contracts; provided that the debt service on the Series 2016 Monterey Bonds shall not exceed the debt service generated by the Refunding Bonds.

Section 6. The Official Statement in preliminary form (the "Preliminary Official Statement") relating to the Series 2016 Monterey Bonds, in substantially the form made available to the Commission, is hereby approved, and any Authorized Signatory is hereby authorized and directed to certify to the Underwriter that the Preliminary Official Statement is deemed to be final as of its date, except for certain final pricing and related information permitted to be omitted in accordance with the Rule, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Preliminary Official Statement to prospective purchasers of the Series 2016 Monterey Bonds, and any Authorized Signatory is hereby authorized to execute and deliver an Official Statement in final form (the "Final Official Statement") relating to the

Series 2016 Monterey Bonds in substantially the form of the Preliminary Official Statement, which Final Official Statement shall include final pricing and related information and other changes, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery of the Final Official Statement, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Final Official Statement to all purchasers of the Series 2016 Monterey Bonds.

Section 7. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially the form made available to the Commission, with such changes or additions, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery.

<u>Section 8.</u> Orrick, Herrington & Sutcliffe, LLP is hereby approved as bond and disclosure counsel ("Bond Counsel") in connection with the transaction; Public Financial Management, Inc., is hereby approved as the financial advisor (the "Financial Advisor") in connection with the transaction, and Barclays Capital, Inc. is hereby approved as the underwriter (the "Underwriter") in connection with the transaction.

Section 9. The joint exercise of powers structure for executing the transaction contemplated herein involves multiple program participants, all of who require the services of Bond Counsel and other professionals. The Authority acknowledges and consents to Bond Counsel's representation of the Districts in addition to the Authority. Bond Counsel's role is to provide an objective opinion on the bonds and related legal services rather than serve as a partisan advocate for any participant or party in the program. The Authority consents to all such relationships or any others Bond Counsel may enter or have entered into, and waives any actual or potential conflict of interest that might be deemed to arise from these relationships.

The Chair, Vice Chair, Secretary, Treasurer, any other members of the Section 10. Commission and other appropriate officers and agents of the Authority, including the Authorized Signatories are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents and contracts they deem necessary or advisable for consummating the sale, execution, and delivery of the Series 2016 Monterey Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution, the Trust Agreement, the Series 2016 Monterey Bonds, the Bond Purchase Agreement, the Local Obligation Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, and the Official Statement, including, but not limited to: executing and delivering any and all notices, certificates, and representations, and entering into such agreement or contracts, including as may be necessary to obtain bond insurance or credit-related opinions, paying agent services, or escrow agent services. The Authorized Signatories are hereby authorized to deliver one or more of each of the documents approved as to form hereby, as the Authorized Signatory may in connection with Bond Counsel determine is desirable to effect the intentions of this transaction. All such actions previously taken by the Authorized Signatories are hereby ratified, confirmed, and approved.

Section 11. This Resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 15, 2016.

By:_____

Authorized Signatory California Statewide Communities Development Authority



Agenda Item No. 11

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Amended and Restated Services Agreement with Renew Financial Group

LLC for the CaliforniaFirst PACE Program

EXECUTIVE SUMMARY:

On March 20, 2014, CSCDA entered into a contract for services with Renew Financial Group ("Renew") to administer the CaliforniaFIRST PACE program. The term of the contract expires in March, 2017. The CSCDA PACE ad-hoc committee and staff have determined that an extension of the contract is appropriate. The attached agreement includes the following updates from the previous contract with Renew:

- 1. **Term** Initial term of the contract is five years beginning September 15, 2016, with the potential of five one-year extensions.
- 2. **Exclusivity** The contract grants Renew exceptions in Los Angeles County and Riverside County due to the current competitive environment in those two areas. In Riverside County once a city joins the Open PACE program they are required to transition that city over from any competing program.
- 3. **Green Attributes** The renewable energy credits will be attributed to the property owner and not CSCDA. If the property owner does not claim such credits they will revert to CSCDA.
- 4. **Scope of Services** Expanded scope of services to include more reporting requirements to CSCDA and its membership.

CSCDA's General Counsel, Richards, Watson & Gershon have reviewed and approved the agreement as set forth as Attachment A.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the agreement with Renew Financial Group administration services under the CaliforniaFIRST PACE program.

AMENDED AND RESTATED AGREEMENT FOR SERVICES (CSCDA PROGRAM ADMINISTRATOR PROFESSIONAL SERVICES AGREEMENT)

This Amended and Restated Agreement for Services ("<u>Agreement</u>") is dated September [*day*], 2016 ("<u>Effective Date</u>") and is between the California Statewide Communities Development Authority, a California joint powers authority ("<u>CSCDA</u>") and [Renew Financial Group LLC, a Delaware] limited liability company ("<u>Administrator</u>"). CSCDA and Administrator are sometimes individually referred to as "<u>Party</u>" and collectively as "<u>Parties</u>" in this Agreement.

RECITALS

- I. On January 27, 2010, the California Statewide Communities Development Authority Commission (the "Commission") adopted its resolution entitled "Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements" to establish a voluntary contractual assessment program pursuant to Section 5898.12 et seq. of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code ("Chapter 29") to finance the cost of installation of distributed generation renewable energy sources, energy efficiency and water conservation improvements (the "Program").
- II. As described in its Resolution No. 14R-24, CSCDA created a district in which Administrator offers its CaliforniaFIRST financing product through the Program (the Program as offered in such district, the "CaliforniaFIRST Program").
- III. CSCDA and Administrator entered into (1) that certain Agreement for Services, dated as of March 27, 2014, as amended by that certain Amendment No. 1 to Agreement for Services, dated as of July 7, 2016 (as amended, the "Original Residential Agreement"), and (2) that certain Agreement for Services (the "Original Commercial Agreement," and collectively with the Original Residential Agreement, the "Original Agreements"), pursuant to which Administrator agreed to serve as an independent contractor to administer the California FIRST Program.
- IV. On December 4, 2014, the Commission adopted its Resolution No. 14R-66 regarding the CSCDA Open PACE Program, which created a new district in which numerous market participants, including Administrator, are permitted to offer their financing products therein to residential and commercial customers (the Program as offered through such district, the "Open PACE Program").
- V. CSCDA and Administrator desire to enter into this Agreement to amend and restate, collectively, both of the Original Agreements in their entirety.

In consideration of the foregoing and the mutual covenants, representations and warranties contained herein, the Parties, intending to be legally bound, hereby agree as follows:

Term of Agreement.

The term of this Agreement shall be from the Effective Date through the date that is five (5) years following the Effective Date, unless sooner terminated as provided in <u>Section 15</u>.

The Parties may, upon mutual, written agreement, extend the contract for five (5) additional one year terms.

Administrator's Services.

<u>Scope of Services</u>. Administrator shall perform the services described in the Scope of Services, attached as <u>Exhibit A</u> (the "<u>Services</u>"). CSCDA may request changes in the scope of Services to be performed, which changes shall be incorporated into this Agreement in accordance with Section 26.

<u>Non-Exclusivity</u>. CSCDA has appointed and retains the right to appoint additional administrators for the Program. Administrator has no rights to exclusivity in administering the Program. Notwithstanding the foregoing, CSCDA agrees that Administrator has exclusive rights to market and administer the CaliforniaFIRST Program.

<u>Party Representatives</u>. For the purposes of this Agreement, CSCDA's representative shall be the CSCDA Executive Director, or such other person designated in writing by the CSCDA Executive Director (the "<u>CSCDA Representative</u>"). For the purposes of this Agreement, Administrator's representative shall be [*Name*], [*Title*] (the "<u>Administrator Representative</u>"). The Administrator Representative shall directly manage Administrator's performance of the Services. Administrator shall provide CSCDA with prior written notice of any change to the Administrator Representative.

Standard of Performance. Administrator shall perform all Services (i) in accordance with the standard of care generally exercised by like professionals under similar circumstances, (ii) in a manner reasonably satisfactory to CSCDA, and (iii) in accordance with the Residential Property Owner Handbook or Commercial Property Owner Handbook, as applicable (as used herein, either or both such handbooks, the "Program Handbook"). Administrator shall notify CSCDA of any changes to the Program Handbook and shall obtain CSCDA's prior consent before implementing material changes to the Program Handbook.

<u>Personnel</u>. Administrator has, or will secure at its own expense, all personnel required to perform the Services. All of the Services shall be performed by Administrator or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

<u>Compliance with Laws</u>. Administrator shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of the Services. Administrator shall at all times observe and comply with all such ordinances, laws and regulations. CSCDA and its agents shall not be liable at law or in equity occasioned by failure of Administrator to comply with this <u>Section 2(F)</u>.

<u>Permits and Licenses</u>. Administrator shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of the Services.

<u>Exclusivity.</u> Administrator shall not enter into an agreement for services to administer a property assessed clean energy ("PACE") program with another joint powers authority or governmental agency that directly competes with the Program, CaliforniaFIRST Program or Open PACE Program, except as permitted by Sections H1- H3 below.

- H1. <u>County of Riverside</u>. Administrator may offer a competing PACE program in a city within the County of Riverside unless such city has authorized within its jurisdiction the operation of either the CaliforniaFIRST Program or Open PACE Program, and only until such time such city has authorized within its jurisdiction the operation of either the CaliforniaFIRST Program or Open PACE Program (the date of such authorization being the "Authorization Date"). Any application initiated but not funded under a competing PACE program on the Authorization Date may be funded under the competing PACE program; provided, however, that no such application may be submitted to the competing PACE program on a date that is more than 30 days after the Authorization Date.
- H2. <u>County of Los Angeles (Residential)</u>. Administrator may offer a competing residential PACE program in the County of Los Angeles and all cities therein pursuant to the terms of a duly authorized and executed agreement by and between Administrator and the County of Los Angeles (an "LA County Agreement"), and only during the term of such LA County Agreement, or any extension or renewal of an LA County Agreement.
- H3. County of Los Angeles (Commercial). Administrator may offer a competing commercial PACE program in the County of Los Angeles and any city therein that has not authorized within its jurisdiction the operation of either the CaliforniaFIRST Program or Open PACE Program, and only until such time the such city has authorized the operation of either the CaliforniaFIRST Program or Open PACE Program. Any application initiated but not funded under a competing PACE program on the Authorization Date may be funded under the competing PACE program; provided, however, that no such application may be submitted to the competing PACE program on a date that is more than 30 days after the Authorization Date. In addition, in cities of the County of Los Angeles that have authorized the operation of the CaliforniaFIRST Program or the Open PACE Program, if any open market capital provider requests that a project be funded through the competing PACE program instead of the CaliforniaFIRST Program or Open PACE Program, then CSCDA shall evaluate such request in good faith.

Green Attributes. Property owners or third party ownership leasing firms shall retain rights to any Federal Investment Tax Credit or State Incentives or Rebates related to renewable energy projects financed through the Program. In addition, property owners or third party ownership leasing firms may retain the rights to any of the green attributes that result from projects financed through the Program, including but not limited to carbon credits, renewable energy certificates,

green tags, tradable renewable certificates, renewable energy credits and greenhouse gas offsets; provided, that to the extent such persons or entities do not reserve such rights, CSCDA shall retain such rights.

CSCDA Obligations. In addition to its other obligations set forth herein, CSCDA agrees to (a) within a reasonable time following submittal by Administrator, execute documents required to implement the Program including, but not limited to, Assessments; (b) assist with placing Assessments on the property tax roll for the tax roll year immediately following the disbursement date; (c) coordinate with local tax authorities to ensure collection of Assessment payments from property owners; (d) subject to Commission authorization, issue Improvement Bonds or enter into Assignments in a timely manner as requested by Administrator for all projects that have met the Program requirements; and (e) perform such other actions as may be reasonably requested by Administrator to facilitate the development, implementation or activities of the Program, such as attending City or County meetings, bringing items for consideration to the CSCDA Commission, and participating in legislative activities.

Compensation.

Compensation. As full compensation for the Services, CSCDA shall pay Administrator as set forth in the Approved Fee Schedule, attached hereto as Exhibit B (as may be updated from time to time, the "Administrator Fees"). Notwithstanding any provision in this Agreement to the contrary, neither CSCDA nor the participating municipalities will have any obligation to pay any fees to Administrator for, or to reimburse Administrator for, expenses incurred by Administrator in connection with, providing, or causing to be provided, the Services except for the Administrator Fees. Such Administrator Fees will be Administrator's sole compensation for providing, or causing to be provided, the Services; provided, that nothing in this Section 4(A) is intended to limit Administrator's right to be reimbursed for (i) amounts advanced by Administrator on behalf of CSCDA to third parties, or (ii) amounts advanced by Administrator to contractors to pay for work financed under Assessments.

Additional Services. CSCDA shall not allow any claims for additional services performed by Administrator, unless the Commission and the Administrator Representative authorize the additional services in writing prior to Administrator's performance of the additional services or incurrence of additional expenses. Any additional services or expenses authorized by the Commission shall be compensated at the rates set forth in Exhibit B, or, if not specified, at a rate mutually agreed to by the Parties.

<u>Payment</u>. The Administrator Fees shall be payable from (a) the proceeds of bonds issued by CSCDA to finance CaliforniaFIRST Program improvements ("<u>Improvement Bonds</u>"), or (b) through the proceeds of voluntary contractual assessments levied on the associated real property ("<u>Assessments</u>"), which have been assigned by CSCDA to finance CaliforniaFIRST Program improvements ("<u>Assignments</u>"), in each case, in accordance with Section 5898.28 of Chapter 29.

Bond/Assignment Placement and Issuance of Asset-Backed Securities. CSCDA agrees that Administrator (or an affiliate designated by Administrator) shall have the sole and exclusive right to purchase Improvement Bonds and Assignments related to Assessments originated by

Administrator hereunder, and all proceeds of such Improvement Bond issuances or Assignment closings shall be distributed to Administrator. Administrator may assign such right to close and fund the acquisition of the Improvement Bonds or Assignments to a third party. From time to time, a purchaser of the Improvement Bonds or Assignments may elect at its own expense to (A) securitize its interest in Improvement Bonds or Assignments and sell such securities to the investment community or (B) sell the Improvement Bonds or Assignments. All fees and costs associated with such purchaser's issuance of asset-backed securities or selling the Improvement Bonds or Assignments, including costs of issuance and annual disclosure costs, shall be borne by the purchaser.

Ownership of Documents; Intellectual Property.

Written Products. Upon expiration of, or in the event of termination of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the Services, but excluding the Proprietary Software (as defined below) and agreements to which CSCDA is not a party (collectively, "Written Products") shall become the sole property of CSCDA without restriction or limitation upon its use except as set forth in Section 7 and may be used, reused, disseminated or otherwise disposed of by CSCDA without the permission of Administrator. With respect to computer files containing data generated for the Services, Administrator shall make available to CSCDA, upon reasonable written request by CSCDA, the necessary computer software for purposes of accessing, compiling, transferring and printing computer files. Administrator may take and use copies of the Written Products as desired (subject to the restrictions set forth in Section 7), but the Written Products shall not be the subject of a copyright application by Administrator.

Intellectual Property of Administrator. CSCDA acknowledges and agrees that all intellectual property rights to the name "CaliforniaFIRST" shall belong to Administrator. In addition, CSCDA acknowledges and agrees that any and all computer software and all source code thereof developed by Administrator in performing the Services, including all intellectual property rights contained therein (the "Proprietary Software"), is property of Administrator or its licensors and protected by intellectual property laws and international intellectual property treaties. Administrator agrees to provide CSCDA with a revocable, non-transferable and non-exclusive account to use the Proprietary Software for purposes of accessing computer files containing data generated for the Services in order to perform CSCDA's obligations under this Agreement. Such license will terminate immediately upon termination of this Agreement. Except for the license granted by this Agreement, Administrator retains all ownership and proprietary rights in and to the Proprietary Software.

Intellectual Property of CSCDA. Administrator shall not obtain trademarks, copyrights or other intellectual property rights that contain or are reasonably likely to be confused with CSCDA. Administrator acknowledges and agrees that all intellectual property rights to the name "CSCDA Open PACE Program" shall belong to CSCDA. Notwithstanding the foregoing, Administrator is hereby authorized to acknowledge in its marketing and branding for the Program in jurisdictions, excluding Los Angeles County and Riverside County, that CaliforniaFIRST is offered through or in association with the CSCDA Open PACE Program.

Independent Contractor.

- A. Administrator is, and shall at all times remain as to CSCDA, a wholly independent contractor. The personnel performing the Services on behalf of Administrator shall at all times be under Administrator's (or its subcontractors') exclusive direction and control. Neither CSCDA nor any of its agents shall have control over the conduct of Administrator or any of Administrator's or its subcontractors' employees, except as set forth in this Agreement. Administrator shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of CSCDA.
- B. No employee benefits shall be available to Administrator in connection with the performance of this Agreement. Except for the Administrator Fees, CSCDA shall not pay salaries, wages, or other compensation to Administrator for performing services hereunder for CSCDA. CSCDA shall not be liable for compensation or indemnification to Administrator for injury or sickness arising out of performing services hereunder.

Confidentiality.

- Confidential Information. Each Party agrees to establish such systems and Α. procedures as may be reasonable to maintain the confidentiality of the other Party's Confidential Information (as defined below); provided, however, that such information may be disclosed (a) as required by law or in connection with any legal proceeding, (b) to governmental or regulatory authorities having jurisdiction over such Party, (c) to its legal counsel and auditors, (d) if it has become publicly available other than as a result of a breach of this Section 7, (e) if such information was already in the possession of the receiving Party prior to execution of the Original Agreements, and (f) in the case of Administrator, to its affiliates and its and their officers, directors, employees, agents, representatives, existing or potential future investors and funding sources, and the relevant rating agencies. "Confidential Information" shall mean all confidential and proprietary information disclosed by a Party to the other Party orally or in writing, including but not limited to financial papers and statements, research and development activities, technology, vendor information, computer hardware and software, products, drawings, trade secrets and information regarding business policies, methods and practices, operating procedures, pricing methods, marketing strategies, customer relations, future plans and other information reasonably deemed proprietary or confidential by the disclosing Party.
- B. <u>Non-Public Personal Information</u>. In addition to the restrictions set forth in <u>Section 7(A)</u>, each Party agrees that it will use, preserve, protect and disseminate any Non-Public Personal Information (as defined below) only in compliance with all applicable law (including all applicable provisions of Gramm Leach Bliley). "<u>Non-Public Personal Information</u>" has the meaning specified in the U.S. Federal Trade Commission's Rule regarding Privacy of Consumer Financial Information (16 CFR Part 313) that pursuant to any federal or state statute or regulation a Party is precluded from disclosing to a third party in the context of the transactions contemplated by this Agreement, as determined by any Party based on advice of competent independent counsel.

Conflicts of Interest. Administrator and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Administrator's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. During the term of this Agreement, Administrator may perform similar services for other clients, but Administrator and its officers, employees, associates and subcontractors shall not, without the CSCDA Representative's prior written approval, perform work for another person or entity for whom Administrator is not currently performing work that would require Administrator or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Administrator shall use commercially reasonable efforts to incorporate a clause substantially similar to this Section 8 into any subcontract that Administrator executes in connection with the performance of this Agreement.

Indemnification.

A. <u>Indemnities for Third Party Claims</u>. Administrator shall defend, indemnify, and hold harmless CSCDA, its officers, commissioners, employees, representatives, attorneys and agents (collectively, the "<u>Indemnified Parties</u>") from and against any and all actions, suits, proceedings, claims, demands, losses, damages, and liabilities (collectively, "<u>Covered Losses</u>") which may accrue against the Indemnified Parties, or any of them, arising out of this Agreement, including but not limited to:

Transactions contemplated by this Agreement, including but not limited to, any Assessments originated or proposed to be originated by Administrator, any property improved or proposed to be improved thereby ("Covered Property"), any owner of such property ("Covered Property Owners"), any improvements financed or proposed to be financed on such property ("Covered Improvements"), or any Improvement Bonds, Assignments or other financing, proposed or otherwise, in connection therewith ("Covered Financings");

Negligence of Administrator or any of its licensees, agents, affiliates, subcontractors, servants, employees, owners, directors, representatives or consultants, including without limitation sales personnel selected, registered, or approved by Administrator to perform marketing and sales of the CaliforniaFIRST Program or to procure or install Covered Improvements (the "Covered Parties") in connection with the CaliforniaFIRST Program and including but not limited to the negligence of a Covered Party in connection with the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in, on or about, or from the planning, design, acquisition, installation or construction of, any Covered Improvements or Covered Property;

any lien or charge upon payments by Administrator to CSCDA, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on CSCDA in respect of any portion of any Covered Improvements or Covered Property;

any violation of any laws, regulations or orders with respect to, or the release of any hazardous substances from, any Covered Property or Covered Improvements or any part thereof;

the refinancing, reissuance, defeasance, redemption or prepayment, in whole or in part, of any Covered Financing;

any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure or continuing disclosure document for any Covered Financing or any of the documents relating to a Covered Financing, or any omission or alleged omission from any offering statement or disclosure or continuing disclosure document for a Covered Financing of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

the trustee's acceptance or administration of the trust of any indenture or trust agreement in connection with a Covered Financing, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to a Covered Financing to which it is a party;

except, in any event covered by clauses (1) through (7) above, to the extent such damages are caused by the willful misconduct of such Indemnified Party or are otherwise not permitted to be the subject of this indemnification as a matter of law.

B. <u>Indemnification Procedures</u>. In the event that any claim, action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, Administrator, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by Administrator and reasonably acceptable to the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to control all aspects of the defense, negotiation, or settlement of any such claim in its sole discretion; provided, however, that any non-monetary terms of such compromise or settlement shall be reviewed and approved by the Indemnified Party. If a conflict of interest exists by reason of common representation, each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and Administrator shall pay the reasonable fees and expenses of such separate counsel.

Independent Contractor Relationship. Administrator shall pay all required taxes on amounts paid to Administrator under this Agreement, and indemnify and hold CSCDA harmless from any and all taxes, assessments, penalties and interest asserted against CSCDA by reason of the independent contractor relationship created by this Agreement. Administrator shall fully comply with the workers' compensation law regarding Administrator and Administrator's employees. Administrator shall indemnify and hold CSCDA harmless from any failure of Administrator to comply with applicable workers' compensation laws. CSCDA may offset against the Administrator Fees any amount due to CSCDA from Administrator as a result of Administrator's failure to promptly pay to CSCDA any reimbursement or indemnification arising under this Section 9(C).

<u>Subcontractors</u>. Administrator shall use commercially reasonable efforts to obtain executed indemnity agreements with provisions substantially similar to those in this <u>Section 9</u> from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Administrator in the performance of this Agreement. If Administrator fails to obtain such indemnity obligations, Administrator shall be fully responsible and indemnify, hold harmless and defend the Indemnified Parties from and against any and all liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Administrator's subcontractors, its officers, agents, servants, employees, or their officers, agents, servants or employees (or any entity or individual that Administrator's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, except for Covered Losses arising from the willful misconduct of the Indemnified Parties.

C. <u>Workers' Compensation Acts not Limiting</u>. Administrator's indemnifications and obligations under this <u>Section 9</u>, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Administrator expressly waives its statutory immunity under such statutes or laws as to CSCDA, its officers, agents, employees and volunteers.

Insurance Requirements not Limiting. CSCDA does not, and shall not, waive any rights that it may possess against Administrator because of the acceptance by CSCDA, or the deposit with CSCDA, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Covered Losses, tax, assessment, penalty or interest asserted against CSCDA.

<u>Survival of Terms</u>. Administrator's indemnifications and obligations under this <u>Section 9</u> shall survive the expiration or termination of this Agreement.

Insurance.

<u>Minimum Scope and Limits of Insurance</u>. Administrator shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location and no deductible. If Administrator is a limited liability company, the commercial general liability coverage shall be amended so that Administrator and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage and a deductible of Two Thousand Five Hundred Dollars (\$2,500). If Administrator does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Administrator shall obtain

a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A.1) of this <u>Section 10</u>.

Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Administrator has no employees while performing services under this Agreement, workers' compensation policy is not required, but Administrator shall provide an executed declaration that it has no employees.

Professional Liability Insurance or Errors and Omissions Insurance with minimum limits of Two Million Dollars (\$2,000,000) per claim and in aggregate, and a deductible of Two Hundred Fifty Thousand Dollars (\$250,000).

Acceptability of Insurers. The insurance policies required under this <u>Section 10</u> shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this <u>Section 10</u>.

<u>Additional Insured</u>. The commercial general and automobile liability policies shall contain an endorsement naming CSCDA, its officers, employees, agents and volunteers as additional insureds.

<u>Primary and Non-Contributing</u>. The insurance policies required under this <u>Section 10</u> shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to CSCDA. Any insurance or self-insurance maintained by CSCDA, its officers, employees, agents or volunteers, shall be in excess of Administrator's insurance and shall not contribute with it.

Administrator's Waiver of Subrogation. The insurance policies required under this Sections 10 (except for the workers' compensation insurance policy required under Section 10(A)(3)) shall not prohibit Administrator and Administrator's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Administrator hereby waives all rights of subrogation against CSCDA except with respect to the policies described in Section 10(A)(3).

<u>Deductibles and Self-Insured Retentions</u>. Any self-insured retentions must be approved by CSCDA. At CSCDA's option, Administrator shall either reduce or eliminate the self-insured retentions with respect to CSCDA, or Administrator shall procure a bond guaranteeing payment of losses and expenses. Administrator must obtain CSCDA's consent to reduce the deductibles set forth in <u>Section 11(A)</u>.

<u>Cancellations or Modifications to Coverage</u>. Administrator shall not cancel, reduce or otherwise modify the insurance policies required by this <u>Section 10</u> during the term of this Agreement. If any insurance policy required under this <u>Section 10</u> is canceled or reduced in coverage or limits, Administrator shall, within five (5) business days of notice from the insurer, phone, fax or notify CSCDA via certified mail, return receipt requested, of the cancellation of or changes to the policy.

CSCDA Remedy for Noncompliance. If Administrator does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Administrator's policies do not comply with the requirements under this Section 10, Administrator shall remedy such noncompliance within five (5) business days of notice by CSCDA. If Administrator fails to cure such noncompliance within such five (5) day period, CSCDA may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CSCDA may, but has no duty to, take out the necessary insurance and pay, at Administrator's expense, the premium thereon. Administrator shall promptly reimburse CSCDA for any premium paid by CSCDA or CSCDA may withhold from the Administrator Fees amounts sufficient to pay the premiums from payments due to Administrator.

Evidence of Insurance. Prior to commencing the Services, Administrator shall furnish CSCDA's Representative with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to CSCDA's approval. Administrator may provide complete, certified copies of all required insurance policies to CSCDA. Administrator shall maintain current endorsements on file with CSCDA's Representative. Administrator shall provide proof to CSCDA's Representative that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Administrator shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

<u>Subcontractor Insurance Requirements</u>. Administrator shall require each of its subcontractors performing Services hereunder to maintain insurance coverage that meets all of the requirements of this <u>Section 10</u>.

Mutual Cooperation.

<u>CSCDA's Cooperation</u>. CSCDA shall provide Administrator with all pertinent data, documents and other requested information as is reasonably available for Administrator's proper performance of the Services, and shall take other such actions as may be reasonably requested by Administrator.

<u>Administrator's Cooperation</u>. In the event any claim or action is brought against CSCDA relating to Administrator's performance of the Services, Administrator shall render any reasonable assistance that CSCDA requires.

Records and Inspections. Administrator shall maintain full and accurate records with respect to all matters covered under this Agreement. Such records shall include, but not be limited to, a database of the financings under the Program including the property address, block and lot number, assessor's property number (APN), ownership information, original financing amount, annual assessment amount and related bond, and amortization schedules for each of the financings under the Program. Upon two (2) business days' notice, Administrator shall make all records, invoices, time cards, cost control sheets and other records maintained by Administrator in connection with this Agreement available, without charge to CSCDA, during Administrator's normal business hours to CSCDA for review and audit by CSCDA. Subject to Section 7, CSCDA may examine

and audit the records and make transcripts therefrom, and inspect all Program data, documents, proceedings and activities.

Reporting. Administrator shall provide funding reports to CSCDA on a quarterly basis, or as mutually agreed between the CSCDA Representative and Administrator Representative, with such information as may be reasonably be requested by CSCDA.

Termination or Suspension of Agreement.

Right to Terminate or Suspend. CSCDA may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Administrator at least thirty (30) calendar days before the termination or suspension is to be effective. Administrator may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to CSCDA at least thirty (30) calendar days before the termination is to be effective.

Obligations upon Termination. Upon issuance by either Party of a termination notice pursuant to Section 14(A) (a "Termination Notice"), Administrator shall continue to perform the obligations set forth in Sections 2, 4, 5, 6, 7 and 12 of Exhibit A (the "Origination Services") until the date specified in the Termination Notice or otherwise agreed by the Parties. Administrator shall cooperate with any successor administrator in effecting the termination of the rights and responsibilities of Administrator under this Agreement. Administrator shall as soon as practicable upon demand, deliver to the successor administrator all records in its possession which evidence or relate to the Services. Upon termination of this Agreement, CSCDA shall pay Administrator for work performed through the effective date of termination.

Obligations upon Suspension. Upon issuance by either Party of a suspension notice pursuant to Section 14(A) (a "Suspension Notice"), Administrator shall immediately cease the Origination Services until such date as the Parties agree to resume performance of the Agreement. If the Parties have not reached agreement on resumption of the Services within thirty (30) days of delivery of the Suspension Notice, then the Agreement shall be deemed terminated effective as of such date (or such later date as may be agreed by the Parties) and the provisions of Section 14(B) shall apply.

Force Majeure. Administrator shall not be liable for any failure to perform its obligations under this Agreement if Administrator presents reasonably acceptable evidence that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Administrator's reasonable control and not due to any act by Administrator.

Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either Party may desire to give to the other Party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Administrator's and CSCDA's regular business hours, or (c) five (5) business days after deposit in the United States

mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

If to CSCDA:	If to Administrator:
California Statewide Communities	[Renew Financial Group] LLC
Development Authority	1221 Broadway
	4 th Floor
	Oakland, CA 94612
Attn:	Attn: Legal Department

Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Administrator shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Administrator will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

Subcontracting. The Administrator shall not subcontract any portion of the work required by this Agreement without prior written approval of CSCDA, provided that Administrator shall remain primarily responsible for any work performed. CSCDA hereby approves the following subcontractors of Administrator: David Tausig Associates and Spruce.

Prohibition of Assignment and Delegation. Administrator shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without CSCDA's prior written consent, provided that Administrator may assign this Agreement and any rights or duties hereunder to any of its Affiliates. "Affiliate" shall mean an entity which controls, is controlled by, or is under common control with the Administrator. CSCDA's consent to an assignment of rights under this Agreement shall not release Administrator from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 20 shall be void and of no effect and shall entitle CSCDA to terminate this Agreement. As used in this Section 20, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

No Third Party Beneficiaries Intended. Except as otherwise provided in <u>Section 9</u>, this Agreement is made solely for the benefit of the Parties and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

Limitations on Liability.

No Recourse against Constituent Members of CSCDA. CSCDA is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. CSCDA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Administrator shall have no rights and shall not make any claims, take any actions or assert any remedies against any of CSCDA's constituent members in connection with this Agreement.

<u>Direct Damages</u>. Neither Party shall be responsible under this Agreement to the other Party for special, indirect, incidental, punitive, exemplary or consequential damages of any nature whatsoever, including losses or damages caused by reason of loss of use, loss of profits or revenue, interest charges (except as expressly provided herein), cost of capital or claims of customers' or property owners' damages, whether liability arises as a result of breach of contract, tort liability (including negligence), strict liability, by operation of law or in any other manner; provided, that the limitation of liability set forth in this <u>Section 22(B)</u> shall not apply to damages arising from a Party's fraud, gross negligence or willful misconduct, or to third-party indemnity claims pursuant to Section 10.

Waiver. No delay or omission to exercise any right, power or remedy accruing to a Party under this Agreement shall impair any right, power or remedy of such Party, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

Exhibits. Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

Entire Agreement. This Agreement, including all exhibits referred to herein, constitutes the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter hereof and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Amendment of Agreement. This Agreement may be amended only by a writing signed by both Parties. The CSCDA Executive Director is authorized to sign an amendment to this Agreement on the Commission's behalf and without the Commission's prior approval to make the following modifications to the Agreement: (a) name changes; and (b) changes in the scope of Services.

Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

Word Usage. Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the Parties, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over CSCDA.

Attorneys' Fees. In any litigation or other proceeding by which one Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to seek awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

Authority to Execute Agreement. Each Party has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary action on its part; and this Agreement has been duly and validly executed and delivered by it and constitutes the legal, valid and binding obligation of such Party enforceable against it in accordance with the terms hereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles.

Amendment and Restatement of Original Agreements. This Agreement amends and restates and replaces the Original Agreements in their entirety. The Original Agreements are hereby terminated and have no further force or effect, and the parties to the Original Agreements shall have no further obligations pursuant to the terms of the Original Agreements.

[Signature page follows]

The Parties, through their duly authorized representatives, are signing this Agreement as of the Effective Date.

CSCDA:	Administrator:
California Statewide Communities Development Authority, a California joint powers authority By: Name: Title:	Title:
ATTEST:	
By: Name: Title:	
APPROVED AS TO FORM:	
By: Name: Title:	
TIUC.	

EXHIBIT A SCOPE OF SERVICES [to be discussed]

Administrator shall provide the following Services in accordance with the terms and conditions of this Agreement and on such timeframes as may be mutually agreed by the Parties.

1) Application Processing

- a) Develop, implement and administer software that:
 - i) Processes applications and funding requests.
 - ii) Provides assessment repayment projections, Improvement Bond debt service schedules and Assignment receivables schedules.
 - iii) Provides real-time reports on the number of projects financed and total amount financed through CaliforniaFIRST.
- b) Develop and utilize eligibility and underwriting criteria that comply with State, federal and local law and prudent underwriting standards.
- c) Complete property and project screen; approve or deny applications based on eligibility requirements listed in applicable Program Handbook.
- d) Once projects are verified, notify CSCDA and provide the property owner with legal documents.
- e) Provide applicant support in finance process, including (for commercial properties) lender consent communication and coordination with project lender.
- f) Review and verify completion of the legal documents after receipt from property owners and confirm satisfaction of Program Handbook requirements.
- g) Manage improvement projects through reservation and installation period, including expiration and/or cancelation of applications.

2) Funding

- a) When funding is requested, verify the project installation through review of appropriate documents, which may include certificate of completion, final permit inspection certificate, and final contractor invoice.
- b) Once an Improvement Bond is issued and purchased or Assignment or other funding mechanism has been completed, disburse funds to the applicable contractor.
- c) Upon receipt of complete documents and payment to contractor, notify CSCDA and provide the documents necessary to record the lien; record the lien on behalf of CSCDA.

3) Improvement Bond Issuance / Assignment Closing

- a) Intake of property owner-signed Improvement Bond or Assignment documents.
- b) Generate amortization and receivables schedules.
- c) Coordinate with third parties including bond counsel, issuer's counsel, tax administrator and fund trustee on Improvement Bond and/or Assignment closing documents.

4) Management of Assessments

- a) Assist tax administrator in preparing and submitting annual assessment payment installment enrollment packages for each participating jurisdiction in accordance with such jurisdiction's direct assessment enrollment procedures. Review exceptions, if any, reported by each County's Auditor-Controller's office and resubmit as necessary.
- b) Subject to bond counsel's opinion, annually prepare and file the report required pursuant to Revenue and Taxation Code Section 163 indicating the following for each parcel: (i) the assessment lien amount at the time the lien was created; (ii) in the case in which a lien has been completely satisfied, the date and amount of the payment in satisfaction of the lien, and the identity of the party that made that payment; and (iii) the principal balance of the assessment lien.
- c) Prepare payment status reports following each property tax installment due date and at fiscal year end.
- d) Review county records on each January 31st and March 31st to determine delinquencies; mail notices of delinquency following each property tax installment due date and at fiscal year end in consultation with CSCDA staff and CSCDA foreclosure counsel.
- e) In consultation with CSCDA Staff and CSCDA foreclosure counsel, send final demand notices on delinquent Assessments each October 1 and default notices each December 1.
- f) In consultation with CSCDA Staff and CSCDA foreclosure counsel, coordinate the removal of delinquent assessment installments from the county property tax roll and record the notice evidencing the removal of such assessment installments.
- g) Begin delinquency control process including the commencement of the foreclosure of defaulting properties in consultation with CSCDA staff and CSCDA foreclosure counsel.
- h) Subject to the availability of sufficient information from each county, reconcile assessment installation distributions with assessment installment payment status data to breakdown distributions by bond.
- i) Calculate assessment payoff amounts, in full or in part, prepare amended assessment installment payment schedules and amend bond debt service schedules, and coordinate payoff with the property owner, CSCDA, and the bond trustee.

5) Program Quality Assurance and Reporting

- a) Create and implement a quality assurance protocol to ensure projects meet the requirements of the applicable Program Handbook and CSCDA Consumer Protection Policies.
- b) Tracking and reporting to CSCDA of application statistics (applications approved, denied or pending), executed Assessments, environmental benefits and local government participation.
- c) Prepare reports, schedules and documents to support the issuance and underwriting of bond or other financing documents, such as disclosure documents for the IRS, SEC and/or any other regulatory body purposes; cash flows analysis; debt service and repayment projections; substantiation of revenue and expenditure estimates and project costs; verification of cash flows; and project or market feasibility, as needed.
- d) Periodic reporting to participating local governments on CaliforniaFIRST activity within its region.

6) Program Documentation

- a) Develop and maintain the documents for administering CaliforniaFIRST under the Program, which may include, but not necessarily be limited to, the following:
 - i) Program Handbooks
 - ii) Assessment underwriting criteria
 - iii) List of Qualifying Improvements
 - iv) Program Application & Funding Request Forms
 - (1) Application Form
 - (2) Assessment Contract
 - (3) Truth-In-Lending Form (if applicable)
 - (4) FHFA/FNMA/FMAC PACE Status Disclosure Form (if necessary)
 - (5) Information Verification Form(s)

7) Customer Service

- a) Provide direct customer service to the community via the web, email and phone, as appropriate.
- b) Respond to emails and phone calls within two (2) business days.

c) Address and manage property owner and local government issues associated with participation in the Program in consultation with CSCDA staff.

8) Marketing and Outreach

- a) Development of marketing materials such as FAQs, flyers, brochures and digital media.
- b) Outreach to CaliforniaFIRST stakeholders such as contractors, property owners and investors purchasing Improvement Bond and Assignments.
- c) Education of property owners and other stakeholders through development and maintenance of a CaliforniaFIRST website, which includes information on the Program, financing terms and other details, and approved improvements.

9) Contractor Outreach and Management

- a) Recruit and train qualified contractors regarding CaliforniaFIRST.
- b) Develop and maintain quality control system to ensure contractors are accurately representing the terms of the Program to homeowners.
- c) Ensure compliance with the adopted CSCDA Consumer Protection Policies.

10) Coordination of Local Governments

- a) Recruitment, support and management of local government activities to opt into Open PACE Program. Including only providing the CSCDA Open PACE resolution for local governments to use to opt into the Program.
- b) Reply to local government inquiries received from staff of participating or interested cities and counties, and provide updates on CaliforniaFIRST activities (such as number of application from within a participating region or status of Open PACE Program expansion in interested regions.).
- c) Cooperation with other Program administrators for recruitment, support and management of local government.

11) Revenue Collection and Capital Program Administration

- a) Administer collection and disbursement of assessments, fees, and charges and all CaliforniaFIRST revenues in accordance with California law governing the uniform method of assessing, levying and collecting special assessment.
- b) Oversee and implement bond issue related compliance, i.e. coordination of annual arbitrage report, transmittal of annual audit and budget to the trustees, transmittal of annual audit and other information to dissemination agent (if other than manager) or directly to bond holders as required by Continuing Disclosure Agreements, annual/quarterly disclosure reporting, update, etc.

c) Prepare annual debt service fund budgets; work with taxing officials to assure correct application of revenues and proper routing of payments to the trustee to assure proper bond debt pay-off; track and account for debt service payments and prepayments and process debt lien releases.

12) Ancillary Services

a) Develop additional tools and programs, as may be appropriate and approved in advance by CSCDA, to facilitate interest and participation in the Program, such as a carbon-offset / environmental attribute and marketing program that helps participating property owners lower their environmental impact through a purchase of offsets or environmental attributes or earn a fee for the sale of carbon offsets or environmental attributes that they may own and wish to sell; a rewards program; or any other program or service that furthers the broad goals of the Program.

EXHIBIT B FEE SCHEDULE

The Administrator Fees for each funded Assessment shall be calculated as follows: the amount of charges that Administrator imposes on the property owner for such Assessment, less the amount paid by Administrator to CSCDA based on the following schedule (expressed as a percentage of the project costs financed by the applicable Assessment):

Residential PACE: 0.875% at the issuance of the Bond or Assignment*

Commercial PACE: 0.75% at the issuance of the Bond*

Alternatively, if an Assignment structure is used at origination:

At initial Assignment of the Assessment, 0.25%; and at issuance thereafter of a Bond secured by such Assessment, 0.50% with a minimum of \$10,000 and a maximum of \$250,000*

^{*}Subject to change by resolution of CSCDA Commission.



Agenda Item No. 12

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Amended Indemnification Language for Commercial PACE Projects.

EXECUTIVE SUMMARY:

The CSCDA Commission approved the forms of assessment contracts to be used by the PACE Programs, and the forms include provisions by which property owners agree to waive certain legal rights that they might have against CSCDA and to indemnify CSCDA for costs and liabilities incurred by CSCDA.

After review and approval by CSCDA's General Counsel, Richards Watson & Gershon the following changes to the property owner waiver and indemnification language is presented for approval by the Commission:

Definition of Liabilities: (collectively, the "Liabilities"). The waivers and releases under this Section 9 shall not extend to Liabilities arising from any party's (a) obligations under this agreement or (b) gross negligence or willful misconduct; provided, however, that this sentence shall not apply to waivers and releases in favor of the [City/County].

Indemnified Matters: (the "Indemnified Matters"). The indemnity, defense and hold harmless obligations under this Section 10 shall not extend to Indemnified Matters arising from any indemnified party's gross negligence, willful misconduct or breach of this Agreement; provided, however, that this sentence shall not apply to indemnity, defense and hold harmless obligations in favor of the [City/County].

CSCDA's General Counsel may, after consultation with the Executive Director and CSCDA staff, approve minor changes to the waiver and indemnity provisions provided that the language remains substantially similar to the language submitted for approval today.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the updated indemnification language, and allow changes substantially similar in form to the updated indemnification after consultation and approval of CSCDA General Counsel and the Executive Director.

RESOLUTION NO. 16R-_

A RESOLUTION APPROVING CERTAIN CHANGES TO PACE ASSESSMENT CONTRACTS RELATED TO WAIVER AND INDEMNIFICATION

CaliforniaFIRST and Open PACE Programs

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, the Commission of the Authority has established the CaliforniaFIRST Program and CSCDA Open PACE Program (collectively, the "Programs") to provide financing for Authorized Improvements pursuant to Chapter 29; and

WHEREAS, the Programs provide financing for the Authorized Improvements pursuant to agreements ("Assessment Contracts") between the Authority and the owners of property in the Program Area; and

WHEREAS, the Commission approved the forms of Assessment Contracts to be used by the Programs at the time it established the Programs, and the forms include provisions by which property owners agree to waive certain legal rights they might have against the Authority and to indemnify the Authority for costs and liabilities incurred by the Authority; and

WHEREAS, some property owners and existing mortgage lenders have asked the Authority to make changes to the waiver and indemnification provisions in the approved form of Assessment Contracts, and staff has requested the Commission to authorize staff, after consultation with the Authority's general counsel, to make changes to these provisions when appropriate;

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

<u>Section 1.</u> The Commission hereby approves changes to the waiver and indemnification provisions in the approved form of Assessment Contracts in substantially the form and substance set forth on <u>Exhibit A</u> to this Resolution.

<u>Section 2.</u> The Commission hereby approves further changes to the waiver and indemnification provisions in the approved form of Assessment Contracts if they are determined

by the Program Manager, Executive Director and general counsel to be consistent with the language attached as Exhibit A.

Section 3. The Chair of the Authority or of any member of the Commission of the Authority or their administrative delegatees duly authorized pursuant to resolution of the Authority (each, an "Authorized Signatory"), each acting alone, are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.

<u>Section 4.</u> This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

By:

Authorized Signatory

California Statewide Communities

Development Authority

EXHIBIT A

APPROVED WAIVER/INDEMNIFICATION PROVISIONS

Section 9. Waivers, Acknowledgment and Agreement.

- (a) Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIII D of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.
- (b) The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the CaliforniaFIRST Program. The Property Owner hereby agrees that the Authority has no responsibility for the installation, operation or maintenance of the Improvements. The Property Owner hereby acknowledges that the Property Owner will be responsible for payment of the Assessment and other charges hereunder regardless of whether the Improvements are properly installed, operated or maintained as expected.
- The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of financing the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] (collectively, the "Liabilities"). The waivers and releases under this Section 9 shall not extend to Liabilities arising from any party's (a) obligations under this Agreement or (b) gross negligence or willful misconduct; provided, however, that this sentence shall not apply to waivers and releases in favor of the [City/County].
- (d) To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits

conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 of the California Civil Code in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owr	ner's Initials:
(e)	The waivers, releases and agreements set forth in this <u>Section 9</u> shall survive
termination o	f this Agreement.

Section 10. Indemnification.

- The Property Owner agrees to indemnify, defend, protect, and hold harmless the (a) Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the California FIRST Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement (the "Indemnified Matters"). The indemnity, defense and hold harmless obligations under this Section 10 shall not extend to Indemnified Matters arising from any indemnified party's gross negligence, willful misconduct or breach of this Agreement; provided, however, that this sentence shall not apply to indemnity, defense and hold harmless obligations in favor of the [City/County].
 - (b) The provisions of this <u>Section 10</u> shall survive the termination of this Agreement.



Agenda Item No. 13

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Amendments to California First Master Indentures

EXECUTIVE SUMMARY:

Under the CaliforniaFirst PACE Program certain master indentures have been approved by the Commission. Renew Financial, the program administrator, is proposing to create more efficiencies under the master indentures. The plans include the following: (i) limit master indentures to a single securitization, (ii) enhance the securitization process by allowing for consolidation of bond forms immediately prior to securitization, (iii) streamline certain aspects of the residential master indenture in order to save time and reduce administrative hassle for the parties and (iv) finance certain non-bonded assessments.

These proposed initiatives resulted in drafts of the following documents:

- 1) Master Indenture for Tranche M2 ("Master Indenture M2")
- 2) Exchange Agreement
- 3) Master Indenture for M3 ("Master Indenture M3")
- 4) Depositary and Account Control Agreement to accompany Master Indenture M3 ("DACA M3")
- 5) Master Assignment Agreement for Non Bonded Assessments ("MAA Non-Bonded")
- 6) DACA for Non Bonded Assessments ("DACA Non-Bonded")

Orrick, Herrington & Sutcliffe as issuer counsel to CSCDA has reviewed and approved the proposed changes.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the resolution approving certain amendments to CaliforniaFirst Master Indentures.

ATTACHMENT A

RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS FOR FINANCING AUTHORIZED IMPROVEMENTS FOR RESIDENTIAL PROPERTY CONTAINING THREE OR FEWER UNITS, APPROVING AND DIRECTING THE EXECUTION OF A MASTER INDENTURE, SUPPLEMENTAL INDENTURES AND AN EXCHANGE AGREEMENT AND APPROVING RELATED DOCUMENTS AND ACTIONS

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, the Commission of the Authority (the "Commission") has established the CaliforniaFIRST Program (the "Program") to provide financing for Authorized Improvements pursuant to Chapter 29; and

WHEREAS, pursuant to the Act, the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "Bond Law"), various resolutions (the "Previous Resolutions of Issuance") and a Second Amended and Restated Master Indenture, dated as of December 3, 2015 (the "Original Master Indenture"), the Commission previously approved the issuance of limited obligation improvement bonds ("Original Bonds") under the Bond Law in order to provide financing for Authorized Improvements for residential property containing three or fewer units; and

WHEREAS, Section 8.08 of the Original Master Indenture ("Section 8.08") provides as follows:

Notwithstanding anything to the contrary herein, this Master Indenture and any Supplemental Indentures may be amended and modified in the following manner at any time the Owner of the Bonds [defined in the Original Master Indenture] is the Sole Owner [defined below]: ...

(B) The Sole Owner may direct any series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) to be deemed issued under a separate master indenture and related supplemental indenture that are substantially identical to this Master Indenture and the related Supplemental Indenture(s) for such series of Bonds. As a result, the Assessments that secure the series of Bonds

under the separate master indenture and related supplemental indenture(s) will secure only the series of bonds deemed issued under that separate master indenture and related supplemental indenture(s). The Trustee and Authority agree to enter into any such separate master indentures and supplemental indentures and any other related documentation.

The Original Master Indenture defines "Sole Owner" to mean the owner of the Bonds if all the Bonds (except any Bonds owned by the Program Administrator (as defined in the Original Master Indenture), or its affiliates or their respective successors and assigns) are owned by such owner or its affiliates or their respective successors and assigns; and

WHEREAS, the Sole Owner plans to securitize certain series of Original Bonds that it owns currently (the "Securitization") and, pursuant to Section 8.08, wishes to deem such bonds (collectively, the "Deemed Bonds") to be issued under a separate master indenture, labeled "M2" for purposes of differentiation (the "Exchange Master Indenture"), as supplemented by related supplemental indentures (each, an "Exchange Supplemental Indenture"); and

WHEREAS, simultaneously with the deemed issuance described above (the "Deemed Issuance"), the Authority wishes to reduce administrative burden on (and resulting costs to) the Authority and the Program by enabling the owner of Original Bonds to exchange multiple series of Deemed Bonds of matching tenor and interest rate for a single series of bonds of matching tenor and interest rate (the "Exchange," and such bonds for which the Deemed Bonds would be exchanged, the "Exchange Bonds"); and

WHEREAS, in order to effectuate the Deemed Issuance and Exchange, the Commission wishes to approve the following documents in substantially the form on file with the Secretary: (i) a form of Bond Exchange Agreement pursuant to which the Deemed Issuance and Exchange would occur (the "Exchange Agreement") and (ii) a form of Exchange Master Indenture and Exchange Supplemental Indenture; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the Deemed Issuance and Exchange have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

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

- 1. The above recitals are true and correct.
- 2. The Commission hereby approves the Exchange Master Indenture and Exchange Supplemental Indenture in substantially the forms on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute the final forms of the Exchange Master Indenture, and Exchange Supplemental Indenture for each series of Exchange Bonds, for and in the name of the Authority after consultation with appropriate legal counsel for the Authority. The Commission hereby authorizes the delivery and performance of the Exchange Master Indenture, as supplemented by the related Exchange Supplemental Indentures, for the Exchange Bonds.

- 3. Pursuant to the Bond Law, the Previous Resolutions of Issuance as supplemented by this Resolution, and the Exchange Master Indenture, one or more series of Exchange Bonds are hereby authorized to be issued (constituting the Deemed Issuance) under the terms of the Exchange Master Indenture (with each series of Bonds issued pursuant to a separate Exchange Supplemental Indenture that supplements the Exchange Master Indenture) in an aggregate principal amount not to exceed \$200,000. The Exchange Bonds of a series shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the related Exchange Supplemental Indenture. The Commission finds that the issuance of the Exchange Bonds complies with the Act, Bond Law and Previous Resolutions of Issuance.
- 4. The Commission hereby approves the form of the Exchange Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute one or more Exchange Agreements in connection with the Original Master Indenture, as supplemented, or any other master indenture, as supplemented, approved by the Commission on the date hereof or from time to time in the future that contains a provision that is substantially similar to Section 8.08 of the Original Master Indenture, for and in the name of Authority after consultation with appropriate legal counsel for the Authority. This Commission hereby authorizes the delivery and performance of each Exchange Agreement by the Authority.
- 5. All actions heretofore taken by the officers and agents of the Authority with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the proper officers of the Authority, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.
 - This Resolution shall take effect immediately upon its adoption.

* * * * * * * * * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

Bv:

Authorized Signatory
California Statewide
Communities Development
Authority

RESOLUTION NO.

RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS FOR FINANCING AUTHORIZED IMPROVEMENTS FOR RESIDENTIAL PROPERTY CONTAINING THREE OR FEWER UNITS, APPROVING AND DIRECTING THE EXECUTION OF A MASTER INDENTURE, SUPPLMENTAL INDENTURES AND A DEPOSITARY AND ACCOUNT CONTROL AGREEMENT AND APPROVING RELATED DOCUMENTS AND ACTIONS

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, the Commission of the Authority (the "Commission") has established the CaliforniaFIRST Program (the "Program") to provide financing for Authorized Improvements pursuant to Chapter 29; and

WHEREAS, pursuant to the Act, the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "Bond Law") and various resolutions (the "Previous Resolutions of Issuance"), the Commission previously approved the issuance of limited obligation improvement bonds under the Bond Law in order to provide financing for Authorized Improvements for residential property containing three or fewer units; and

WHEREAS, the Authority desires, from time to time, to enter into one or more master indentures and one or more related supplemental indentures with Wilmington Trust, National Association, as trustee, substantially in the forms on file with the Secretary (such forms, respectively, the "Master Indenture" and "Supplemental Indenture") and issue bonds in one or more series (collectively, "Bonds") initially in an aggregate principal amount not to exceed \$400,000,000; and

WHEREAS, Section 5898.28(b) of Chapter 29 permits the Authority to transfer its right, title and interest in and to any voluntary contractual assessment for a term not to exceed three years (an "Assignment"); and

WHEREAS, Section 3.07 of the form of Master Indenture provides that, subject to certain conditions, the voluntary contractual assessments that secure the repayment of the Bonds may be released from the lien of the Master Indenture, and the Commission wishes to approve a form of depositary and account control agreement (the "Depositary Agreement"), in substantially the form on file with the Secretary, to facilitate assignments under the Master Indenture; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

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

- 1. The above recitals are true and correct.
- 2. The Commission hereby approves the form of Master Indenture and Supplemental Indenture in substantially the forms on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute one or more final forms of the Master Indenture, and Supplemental Indenture for each series of Bonds, for and in the name of the Authority after consultation with appropriate legal counsel for the Authority. The Commission hereby authorizes the delivery and performance of each Master Indenture, as supplemented by the related Supplemental Indentures, for the Bonds.
- 3. Pursuant to the Bond Law, the Previous Resolutions of Issuance as supplemented by this Resolution, and each Master Indenture, one or more series of Bonds are hereby authorized to be issued from time to time under the terms of such Master Indenture (with each series of Bonds issued pursuant to a separate Supplemental Indenture that supplements the Master Indenture) in an aggregate principal amount not to exceed \$400,000,000. The Bonds of a series shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the related Supplemental Indenture. The Commission finds that the issuance of the Bonds complies with the Act, Bond Law and Previous Resolutions of Issuance.
- 4. The Commission hereby approves the form of Depositary Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute one or more final forms of the Depositary Agreements in connection with each Master Indenture, as supplemented, for and in the name of Authority after consultation with appropriate legal counsel for the Authority. This Commission hereby authorizes the delivery and performance of each Depositary Agreement by the Authority.
- 5. All actions heretofore taken by the officers and agents of the Authority with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the proper officers of the Authority, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.
 - 6. This Resolution shall take effect immediately upon its adoption.

* * * * * * * * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

Bv:

Authorized Signatory
California Statewide
Communities Development
Authority

RESOLUTION NO.

A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF A MASTER ASSIGNMENT AGREEMENT, A DEPOSITARY AND ACCOUNT CONTROL AGREEMENT AND ONE OR MORE ASSIGNMENT INSTRUMENTS FOR ASSIGNMENT OF VOLUNTARY CONTRACTUAL ASSESSMENTS FOR FINANCING AUTHORIZED IMPROVEMENTS FOR RESIDENTIAL PROPERTY CONTAINING THREE OR FEWER UNITS, AND APPROVING AND DIRECTING RELATED DOCUMENTS AND ACTIONS

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, the Commission of the Authority (the "Commission") has established the CaliforniaFIRST Program (the "Program") to provide financing for Authorized Improvements pursuant to Chapter 29; and

WHEREAS, Section 5898.28(b) of Chapter 29 permits the Authority to transfer its right, title and interest in and to any voluntary contractual assessment for a term not to exceed three years (an "Assignment"); and

WHEREAS, in order to effectuate the Assignments to provide financing for Authorized Improvements on residential property containing three or fewer units, the Commission wishes to approve the following documents in substantially the form on file with the Secretary: (i) a form of master assignment agreement (the "Master Assignment Agreement"), (ii) a form of depositary and account control agreement (the "Depositary Agreement") and (iii) a form of Assignment Instrument (which is attached as Exhibit A to the Master Assignment Agreement) (each, an "Assignment Instrument"); and

WHEREAS, the Commission wishes to authorize the Authority to execute and deliver, from to time, one or more Assignment Instruments, and related agreements providing for the levy of a contractual assessment to finance the installation of Authorized Improvements (each, an "Assessment Contract"), in an aggregate amount not to exceed \$50,000,000, and other related matters; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to the execution and delivery of the Master Assignment Agreement, Depositary Agreement and one or more Assignment Instruments exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

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

- 1. The above recitals are true and correct.
- 2. The Commission hereby approves the Master Assignment Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute one or more Master Assignment Agreements with assignees that are "qualified institutional buyers" as generally defined under Rule 144A of the Securities Act of 1933, as amended (the "Securities Act"), or "accredited investors" as generally defined under Regulation D of the Securities Act, for and in the name of the Authority after consultation with appropriate legal counsel for the Authority. The Commission hereby authorizes the delivery and performance of the Master Assignment Agreement by the Authority.

Each Assessment Contract that is the subject of an Assignment will be consistent with the form of such agreement previously approved by the Commission in connection with Assignments.

- 3. The Commission hereby approves the Depositary Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Depositary Agreement for and in the name of the Authority after consultation with appropriate legal counsel for the Authority. The Commission hereby authorizes the delivery and performance of the Depositary Agreement by the Authority.
- 4. The Commission hereby approves the execution and delivery of one or more Assignment Instruments in substantially the form attached to a Master Assignment Agreement, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission) and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute one or more Assignment Instruments for and in the name of the Authority after consultation with appropriate legal counsel for the Authority. The Commission hereby authorizes the delivery and performance of such Assignment Instruments by the Authority.

An Assignment shall have a term not to exceed three years, the maximum aggregate amount of such Assignments authorized by this Resolution is \$50,000,000 and each Assignment shall, in any event, conform to the requirements of Chapter 29 and all other applicable law.

5. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and direct recordation with the applicable County recorder all notices required by Chapter 29 and do any and all other things and take any and all other actions, including execution and delivery of any and all assignments,

certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the Assignments authorized by this Resolution and any of the other transactions contemplated by the documents approved pursuant to this Resolution, including but not limited to the issuance of one or more Complying PACE Bonds (as defined in the Master Assignment Agreement) in the circumstances and for the purposes specified in the Master Assignment Agreement. All actions heretofore taken by the officers and agents of the Authority with respect to the Master Assignment Agreement, the Depositary Agreement and the proposed Assignments are hereby approved, confirmed and ratified.

6. This Resolution shall take effect immediately upon its adoption.

* * * * * * * * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

By:_____

Authorized Signatory
California Statewide
Communities Development
Authority



Agenda Item No. 14

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of CSCDA Policy for Renewable Energy Credits for the PACE

Programs.

EXECUTIVE SUMMARY:

Under the current assessment contract for CSCDA PACE programs, the renewable energy credits ("RECs") are allocated to CSCDA. Currently the RECs do not have a value allocated to them. After extensive discussions with PACE counsel and CSCDA's PACE Administrators, staff is recommending a change to the current policy. Such change would allocate the RECs to the Property Owner ("PO") or Third Party Owner ("TPO").

ANALYSIS:

<u>Equitable</u> - The PO or TPO is the owner of the renewable energy system and rightful owner of the RECs with potential value. The PO/TPO owns the system, so the PO/TPO is really the party who caused the production of the clean energy – which is what the REC represents. Furthermore, incentives offered by a utility to a PO/TPO are often coupled with the requirement to transfer RECs in return for the incentive payment(s). If a consumer has already contractually given the RECs away, they will be unable to participate in the utility programs to help offset some of their costs.

<u>Tracking and Customer Service</u> - Owners of RECs must have ability to track RECs consistently and provide associated customer service. Neither CSCDA or its PACE Administrators have the mechanism to currently track, where by a third party owner or aggregator (in case of property owners) would have ability to track.

<u>Cost Impact to Owner</u> - RECs value must be disclosed regardless of their value. And if they have value, that value must be disclosed to the owner and paid to the owner (whether PO or TPO). While CSCDA may argue that they have no value for a PO, a TPO would argue that they have value.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval to allocate the RECs under the CSCDA's PACE programs to the property owner or third party owner.

RESOLUTION NO. 16R-

A RESOLUTION APPROVING THE OWNERSHIP OF ENVIRONMENTAL ATTRIBUTES RELATED TO IMPROVEMENTS FINANCED BY THE CSCDA CALIFORNIAFIRST AND OPEN PACE PROGRAMS BY PROPERTY OWNERS AND THIRD-PARTY OWNERS OF FINANCED IMPROVEMENTS

CaliforniaFIRST and Open PACE Programs

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, the Commission of the Authority has established the CaliforniaFIRST Program and CSCDA Open PACE Program (collectively, the "Programs") to provide financing for Authorized Improvements pursuant to Chapter 29; and

WHEREAS, the Authorized Improvements financed by the Programs may be owned by the participating property owners or they may be owned by third parties in the circumstances permitted by Chapter 29; and

WHEREAS, with respect to Authorized Improvements financed by the Programs, the Commission has been asked by capital providers and third-party administrators for the Programs to approve the ownership of the environmental attributes related to the Authorized Improvements by participating property owners and third-party owners of the Authorized Improvements; and

WHEREAS, the environmental attributes include, without limitation, carbon trading credits, renewable energy credits or certificates, "green tags," environmental benefits of using the Authorized Improvements, financial credits, rebates, subsidies, and emission reductions, offsets and allowances ("Environmental Attributes");

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

<u>Section 1.</u> The Commission hereby approves the ownership of Environmental Attributes related to Authorized Improvements financed by the Programs by participating property owners and third-party owners of Authorized Improvements.

Section 2. The program administrators of the Programs are hereby authorized to amend the program reports, program handbooks, assessment contracts, program administration agreements and other documents for the Programs to the extent they relate to the ownership of Environmental Attributes in a manner consistent with this Resolution. The Chair of the Authority or of any member of the Commission of the Authority or their administrative delegatees duly authorized pursuant to resolution of the Authority (each, an "Authorized Signatory"), each acting alone, are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.

<u>Section 3.</u> This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

By:

Authorized Signatory

California Statewide Communities

Development Authority



Agenda Item No. 15

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a resolution ratifying and approving the forms of certain documents and

administration agreement to be used in connection with the issuance of CSCDA Open Pace

limited obligation improvement bonds not to exceed \$100 million for Clean Fund's

Commercial PACEDirect and approving related documents and actions.

EXECUTIVE SUMMARY:

At the April 7, 2016 and April 21, 2016 meetings the CSCDA Commission approved the form of documents for Clean Fund's Commercial PACEDirect program. Clean Fund is requesting approval of the following proposed changes:

- 1. **Indenture** Changes have been made to the indenture to incorporate Clean Fund's commercial-only aspect of its PACE program. These changes pertain to the scope being limited to commercial versus residential financings.
- 2. **Form of the Contract** The Commercial PACEDirect program now has different forms for transactions involving with and without power purchase agreements, and assignments of contractual assessments with and without power purchase agreements. This requires the form of contract with Clean Fund to be amended.
- 3. Ratification of \$100 million Authorization
- 4. Approval of Program Handbook (Attached)

The proposed changes have been reviewed and approved by Jones Hall as PACE Counsel.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the attached resolutions ratifying and approving the forms of certain documents and approval of the proposed program handbook.

RESOLUTION NO. 16R-

A RESOLUTION RATIFYING AND APPROVING THE ISSUANCE OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY OPEN PACE LIMITED OBLIGATION IMPROVEMENT BONDS FOR COMMERCIAL PACEDIRECT, APPROVING THE FORMS OF CERTAIN DOCUMENTS TO BE USED IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS, AND APPROVING RELATED DOCUMENTS AND ACTIONS

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the "Resolution of Intention"), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the "Program") in the Covered Jurisdictions (as defined in the Resolution of Intention and herein, the "Covered Jurisdictions"); and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the "Executive Director") to prepare or cause to be prepared and to file with the Commission a report (the "Report") addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a draft contract (the "Contract") between the Authority and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, the Report was filed with the Secretary of the Commission prior to December 4, 2014; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the "Resolution Confirming Report"), the Commission of the Authority confirmed the Report and established the Program in the Covered Jurisdictions; and

- **WHEREAS**, pursuant to Chapter 29 and the Resolution Confirming Report, the Authority is authorized to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and
- WHEREAS, pursuant to the Resolution Confirming Report, the Commission of the Authority approved the form of Contract attached to the Report and authorized and directed any Authorized Signatory (as defined in Section 1 below) to execute Contracts with property owners in substantially said form, with such additions thereto and changes therein as the Authorized Signatory executing the same, in consultation with counsel to the Authority, deemed necessary, desirable or appropriate; and
- **WHEREAS**, pursuant to the Resolution of Intention, the Commission of the Authority provided for the issuance of one or more series of improvement bonds pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the "Bond Law"); and
- WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-67 (the "Original Bond Resolution"), the Commission of the Authority authorized the issuance of limited obligation improvement bonds in one or more series from time to time to be designated generally as "California Statewide Communities Development Authority Open PACE Limited Obligation Improvement Bonds" (the "Bonds") for the purpose, among others, of financing or refinancing the installation of Authorized Improvements; and
- **WHEREAS**, pursuant to the Original Bond Resolution, the Commission of the Authority approved the form of certain documents related to the issuance of Bonds; and
- WHEREAS, the Commission of the Authority has approved the execution and delivery of a Program Administration Agreement with CleanFund Commercial PACE Capital, Inc. ("Clean Fund"), in connection with the establishment by Clean Fund of the Commercial PACEDirect program under the Program ("Commercial PACEDirect"); and
- WHEREAS, on April 7, 2016, pursuant to Resolution No. 16R-28 (the "Second Bond Resolution"), and related to Commercial PACEDirect, the Commission of the Authority approved, among other things, the issuance of Bonds in one or more series pursuant to a Master Indenture in an aggregate principal amount not to exceed \$100,000,000 for the installation of Authorized Improvements on non-residential property (including residential property containing four or more units); and
- **WHEREAS**, on April 21, 2016, pursuant to Resolution No. 16R-29, and related to Commercial PACEDirect, the Commission of the Authority approved, among other things, certain forms of the Contract to be used in connection with the assignment of contractual assessments;
- WHEREAS, Clean Fund has asked the Commission to approve certain changes to the forms of the Contract that were previously approved by the Commission, to ratify its previous approval of Bonds in one or more series in an aggregate principal amount of \$100,000,000 for Commercial PACEDirect (the "Commercial PACEDirect Bonds") and to approve the form of an Indenture in place of the Master Indenture approved pursuant to Resolution No. 16R-28 for use in connection with the issuance of Commercial PACEDirect Bonds; and

WHEREAS, there have been made available to the Commission the following documents and agreements:

- (1) A form of Indenture;
- (2) Updated forms of Contract (with different forms for transactions involving Commercial PACEDirect Bonds without a power purchase agreement, Commercial PACEDirect Bonds with a power purchase agreement, assignments of contractual assessments without a power purchase agreement and assignments of contractual assessments with a power purchase agreement); and.

WHEREAS, this Commission wishes to approve the forms of the Contract and the Indenture and to ratify and approve the issuance by the Authority of Commercial PACEDirect Bonds in one or more series pursuant to an Indenture in an aggregate principal amount not to exceed \$100,000,000 for the installation of Authorized Improvements on non-residential property (including residential property containing four or more units); and

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

Section 1. The forms of the Indenture and the Contract, as made available to the Commissioners, are hereby ratified and approved. The Chair of the Authority or of any member of the Commission of the Authority or their administrative delegatees duly authorized pursuant to resolution of the Authority (each, an "Authorized Signatory"), each acting alone, are hereby authorized and directed, for and on behalf of the Authority, to execute and deliver one or more Indentures and Contracts in substantially said forms, with such changes and insertions therein as any member of the Commission, with advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. For each series of Commercial PACEDirect Bonds, 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 shall be as provided in the related Indenture, as finally executed.

Section 2. Pursuant to the Bond Law, the Original Bond Resolution and the Second Bond Resolution, as supplemented by this Resolution, and to provide financing for the installation of Authorized Improvements on non-residential property (including residential property containing four or more units), this Commission hereby ratifies and approves the issuance from time to time by the Authority of one or more series of Commercial PACEDirect Bonds in an aggregate principal amount not to exceed \$100,000,000. The Commercial PACEDirect Bonds of each series shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the related Indenture. The Commission finds that the issuance of the Commercial PACEDirect Bonds complies with Chapter 29, the Bond Law, the Original Bond Resolution and the Second Bond Resolution, except as modified by this Resolution.

Section 3. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and direct recordation with the applicable county recorder all notices required by Chapter 29 and do any and all other things

and take any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Commercial PACEDirect Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Commercial PACEDirect Bonds are hereby approved, confirmed and ratified.

Section 4. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

By: ______ Authorized Signatory
California Statewide Communities
Development Authority

RESOLUTION NO. 16R-

A RESOLUTION APPROVING A FORM OF PROGRAM HANDBOOK IN CONNECTION WITH COMMERCIAL PACEDIRECT UNDER THE CSCDA OPEN PACE PROGRAM AND APPROVING RELATED DOCUMENTS AND ACTIONS

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements"), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29"); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the "Resolution of Intention"), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the "Program") in the Covered Jurisdictions (as defined in the Resolution of Intention and herein, the "Covered Jurisdictions"); and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the "Executive Director") to prepare or cause to be prepared and to file with the Commission a report (the "Report") addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a draft contract (the "Contract") between the Authority and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, the Report was filed with the Secretary of the Commission prior to December 4, 2014; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the "Resolution Confirming Report"), the Commission of the Authority confirmed the Report and established the Program in the Covered Jurisdictions; and

WHEREAS, the Report provides that multiple program administrators will be engaged to independently administer and provide financing under the Program; and

WHEREAS, on April 7, 2016, pursuant to Resolution No. 16R-27, the Commission approved the engagement of CleanFund Commercial PACE Capital, Inc. ("CleanFund") to

administer CleanFund's Commercial PACEDirect program under the Program and authorized the Authority to enter into a Program Administration Agreement with CleanFund in the form that had been made available to the Commissioners; and

WHEREAS, CleanFund has asked the Commission to approve a form of Program Handbook for Commercial PACEDirect; and

WHEREAS, the Commission of the Authority wishes to approve the Program Handbook for Commercial PACEDirect in the form that has been made available to the Commissioners;

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

<u>Section 5.</u> The form of Program Handbook for Commercial PACEDirect, as made available to the Commissioners, is hereby approved. The Program Handbook may be revised from time to time by CleanFund without Commission approval so long as the Program Handbook is consistent with the Report and Chapter 29.

<u>Section 6.</u> This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of September 2016.

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 September 15, 2016.

By:	
-	Authorized Signatory
	California Statewide Communities
	Development Authority



September 1, 2016

FINAL

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Section 1 – Introduction

1 (a) Program Overview

In conjunction with the California Statewide Communities Development Authority ("CSCDA"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, CleanFund Commercial PACE Capital, Inc. ("CleanFund"), will offer a commercial PACE Program ("Commercial PACEDirect Program" or "the Program") under CSCDA's judicially validated Open PACE program framework ("Open PACE") that will be available to all property owners located in any California county or incorporated city that has adopted a resolution to participate in Open PACE (an "Active Jurisdiction").

Using legal authority established by Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code of the State of California ("Chapter 29"), CleanFund provides financing for the installation of energy efficiency, water efficiency, renewable energy, seismic strengthening, electric vehicle charging infrastructure and other improvements authorized by Chapter 29 and under Open PACE that are permanently affixed to real property (the "Improvements") using the Property Assessed Clean Energy ("PACE") financing structure. To the extent permitted by Chapter 29, Improvements may be owned by third parties pursuant to leases and/or power purchase agreements.

As set forth more fully in this Program handbook ("Handbook"), CleanFund assumes the responsibilities of administering the Program and underwriting, approving and funding projects. To the extent permitted by Chapter 29, the Commercial PACEDirect Program is designed to finance Improvements through the levy of a contractual assessment ("Contractual Assessment") pursuant to a contract between CSCDA and the owner of property in an Active Jurisdiction (an "Assessment Contract") and (i) the issuance by CSCDA of state-tax exempt bonds secured by a voluntary contractual assessment ("Contractual Assessment") and/or (ii) the assignment by CSCDA (an "Assignment") of the Contractual Assessment. Contractual Assessment installments are levied annually and included as a line item on the property tax bill (except as otherwise permitted by law), and are collected by the participating taxing agency along with the general State property tax.

This Handbook assumes that the Improvements will be installed on the property on which the Contractual Installment will be levied (the "Property") and that the party to the Assessment Contract will the owner of the Property (the "Property Owner"). However, to the extent permitted by Chapter 29, the Commercial PACEDirect Program may provide financing for the installation of Improvements on property other than the parcel(s) that will pay the Contractual Assessment(s), in which case the counter-party to the Assessment Contract(s) will be the owner(s) of property that benefit from the installation of the Improvements.

1 (b) Program Purpose

The primary purpose of the Commercial PACEDirect Program is to create a structure through which Property Owners in Active Jurisdictions can finance Improvements for the public purposes specified in Chapter 29.

These Improvements can help local governments realize achieve the public purposes described n Chapter 29, including increased public safety, greenhouse gas reductions, reduced water consumption, and increased employment, while simultaneously enabling property owners to reduce the financial burden of the upfront capital required to make the Improvements by spreading the cost over the period of time permitted by Chapter 29 (currently, up to 39 years).

1 (c) Legal Structure of Program

The Program utilizes the provisions of Chapter 29 to enable CSCDA to enter into a Contractual Assessment with a Property Owner for the purpose of financing the installation of Improvements that are permanently affixed to the Property. Under Chapter 29, a Contractual Assessment is an assessment that is levied on the Property parcel pursuant to an Assessment Contract executed by a Property Owner and CSCDA. The form of Open PACE Assessment Contract is included in an Appendix to this Handbook.

Chapter 29 provides "public agencies" (as defined in Chapter 29), such as CSCDA, with the authority to enter into Contractual Assessments, issue bonds, assign Contractual Assessments and collect annual installments of Contractual Assessments ("Installments") on the county property tax bill.

Under the Program, CSCDA enters into a Contractual Assessment with a Property Owner in an amount necessary to: (i) finance the installation of Improvements over a period of up to 39 years, depending upon the expected useful life of the financed Improvements (ii) pay capitalized interest; (iii) fund a debt service reserve fund; and (iv) pay the costs of financing the project and administering the Program. The Installments of the Contractual Assessment are collected on the participating Property's county property tax bill. The obligation to pay Installments in accordance with the Contractual Assessment remains with the Property even after the Property is sold or transferred. CSCDA will issue bonds payable from Installments specified in the Contractual Assessment, or alternatively, assign the Contractual Assessment to an assignee. If levied Installments are not repaid in a timely fashion, a judicial foreclosure action may be filed to collect delinquent Installments, plus any penalties and interest. In the event of a foreclosure action, Chapter 29 does not authorize CSCDA to accelerate Installments that are not yet due.

The Program is completely voluntary and does not impact the property tax bills of non-participating properties.

1 (d) Finance Structure of Program

The Program is based on a 'turnkey financing' approach, in which CleanFund provides capital, administers the Program, and conducts other activities as set forth in this Handbook. Generally, financing will involve the issuance by CSCDA of a bond that is secured by the Contractual Assessment obligation or Assignment of a Contractual Assessment.

1 (e) Program Administration

CleanFund will serve as the Program Administrator. In this role, CleanFund will administer the Program and will coordinate with the relevant parties that fulfill the disbursement of financing proceeds, and the levy and collection of Contractual Assessment Installments through a third party administrator ("Assessment Administrator"). The Program Administrator will review and approve applications in a timely fashion (see Section 2.c – Application and Financing Process).

1 (f) Local Participation

If a financing applicant's Property is located in the unincorporated territory of a county, or in an incorporated city, that is not an Active Jurisdiction, the Program Administrator will coordinate with CSCDA and endeavor to encourage that county or incorporated city to become an Active Jurisdiction. In order for a Property to participate in the Program, (1) the incorporated city in which the Property is located, or the county if the Property is in unincorporated territory, must adopt a resolution to join Open PACE, (2) the city or county must be a member of CSCDA, and (3) CSCDA must have established Open PACE in the jurisdiction.

Counties and cities that are interested in participating in Open PACE, or that would like additional information, should email: info@cleanfund.com

1 (g) Definitions and Acronyms

- "Active Jurisdiction" See Section 1 (a) "Program Overview" for definition.
- "Assessment Contract" A contract between CSCDA and a Property Owner pursuant to Chapter 29, including subsequent amendments thereof.
- "Assignment" Refers to the assignment by CSCDA of a Contractual Assessment to an assignee pursuant to Chapter 29 for the purpose of funding a qualified project. Under Chapter 29, Assignments will be used to provide more cost-effective financing in anticipation of Bond issuance.
- "Authorized Improvements" Shall mean qualified Improvements, as defined in Section 2 (a) of this Handbook.
- "Capital Provider" Means the entity providing the capital to finance the installation of Improvements; the Capital Provider will purchase the bond issued by CSCDA or will be assigned the Contractual Assessment pursuant to an Assignment.
- "**Contractor**" A contractor directly engaged by a Property Owner for a PACE improvement project at a qualifying Property that has been determined to be eligible by the Program Administrator.
- "CSCDA" California Statewide Communities Development Authority.
- "**Non-Residential**" Means commercial, industrial, agricultural, multi-family residential (five or more units) and other non-residential uses.
- "PACE" See Section 1 (a) "Program Overview" for definition.
- "Pooled Bond/Assignment" Has the meaning set forth in Section 2(b).
- "**Program Administrator**" Entity responsible for administration of the Program. For the CleanFund Commercial PACEDirect Program, the Program Administrator is CleanFund.

"**Property**" – The real property on which the Authorized Improvements are installed and that is subject to the lien.

"**Property Owner**" – The record owner(s) of the fee title to the Property.

"Stand-alone Bond/Assignment" – Has the meaning set forth in Section 2(b).

"**Total Financing Amount**" – The total amount of financing related to the Improvement project, including project costs, Program fees and costs, Capital Provider fees and costs, capitalized interest (if any), debt service reserve fund (if any), administrative fees and other customary costs.

Section 2 – Commercial PACEDirect Program Information

2 (a) Program Details

The section below outlines the parameters for eligibility and participation in the Program. In certain circumstances, underwriting exceptions will be made on a case-by-case basis where appropriate risk mitigations exist in the sole discretion of the Program Administrator.

(i) Program Parameters and Project Eligibility Requirements

The Program Administrator will evaluate projects based upon a broad set of criteria. Any exceptions to the Program eligibility criteria will be documented in connection with the underwriting of each transaction; however, in no event will any deviations from the Program criteria contained in the Program Report for Open PACE be permitted. The Program Administrator may choose to accept certain exceptions to its criteria based upon appropriate mitigating factors. Program Administrator reserves the right to decline any financing requests in its sole discretion.

Financing Term	Up to 39 years, provided that the weighted average life of the financing (weighted by principal amortization) is equal to or less than the weighted average life of the Improvements financed.
Closing Costs and Fees	Typical Program costs and fees, legal costs, bond issuance costs, plus servicing fees for Assessment Administrator
Financing Rate	Fixed or floating rates of interest determined by Program Administrator on a project-by-project basis.
Property Location	Within Active Jurisdictions
Property Type	Non-Residential properties
Property Value	Property value to be established by Program Administrator based upon higher of assessed value or recent appraised value in Program Administrator's sole

[&]quot;State" - The State of California.

	discretion. Financing amount relative to value shall be subject to the following constraints:
	 Maximum PACE Lien-to-Value not to exceed 20.0%; with all mortgages, a combined mortgage and PACE "LTV" of 100%.
	 The sum of all items appearing on the Property's annual property tax bill, inclusive of the annual PACE Installments, not to exceed 5.0% of property's market value as of the execution of the Assessment Contract.
Eligible Improvements and Project Scope	Direct and indirect costs for material, labor and soft costs related to project design, evaluation, demolition, installation and construction necessary to implement Improvements as part of ground-up construction, existing-structure retrofits and renovations. Eligible categories of components involved in building Improvements include heating, ventilation, air conditioning, electrical, plumbing, envelope, seismic strengthening and other items as approved under Open PACE. Improvements must be permanently affixed to the Property to the extent required by, and as defined in, Chapter 29.
Surveys and Utility Bills	Property Owner agrees to participate in surveys and Program evaluations, which may include access to utility bill usage information.
Energy & Water Savings	Property Owner must submit documentation citing the estimated energy or water savings by a third party professional prior to the close of financing.
Ownership Interest and Authorization	All Property Owners of the fee simple title to the subject Property, or their legally authorized representatives, must sign the Program documents and agree to participate in the Program on the terms set forth in this Handbook.
Property Owner History	There must be no notices of default, whether in effect or released, recorded against the subject Property due to non-payment of property taxes or loan payments within the prior three (3) years (or since ownership, if less than 3 years). There must be no foreclosures against, or bankruptcies involving the Property Owner in the prior seven (7) years. Exceptions may be granted on a case-bycase basis.
Mortgage Lender Acknowledgement	Acknowledgement by the mortgage lender that the Assessment Contract does not create an event of default under the mortgage documents. Capital Provider helps Property Owners facilitate this acknowledgement.

Prepayment	Prepayment of the Contractual Assessment is allowed. The terms and premiums of such prepayment shall be determined on a project-by-project basis.
Environmental Conditions	No serious environmental conditions that are known, or believed to be likely, on the Property that would be reasonably expected to have a material adverse consequence on the value of the Property. Capital Provider may utilize third party services to help assess environmental risk on a case-by-case basis.

(ii) Compliance with Existing Mortgages

Chapter 29 requires CSCDA to cause recordation in the real property records of two notices (which may be combined as described in Chapter 29) at the time an Assessment is executed: (i) a Notice of Assessment and (ii) a Payment of Contractual Assessment Required. The Assessment Contract may be attached to one or both of these notices. Recordation of the Notice of Assessment will establish a lien as security for the obligation to pay installments levied pursuant to the Contractual Assessment. The Contractual Assessment will have the lien priority specified in Government Code 53935.

Some loan documents may limit the ability of a Property Owner to further encumber the Property. Property Owners should confirm with any mortgage lender that participation in the Program will not adversely impact their rights with respect to any existing loan documents, or require them to prepay their Contractual Assessment. Property Owners must receive acknowledgement in writing from any existing mortgage lender that the PACE financing will not result in a default under their mortgage documents.

(iii) Eligible Contractors

Contractor eligibility will be evaluated by the Program Administrator on a project-by-project basis. All Contractors must be in compliance with applicable local, State, and federal licensing laws. Contractors must also be licensed in the State of California and registered with the Program.

The Program Administrator does not take an active role in Contractor evaluation and is not responsible for any failures in the installation or operation of equipment. As such, Property Owners are encouraged to seek out third-party validation of estimated energy and utility cost savings, as well as engage appropriate counsel to vet the proposals put forward by Contractors in the bid process.

(iv) Eligible Project Lenders

Project lenders purchasing the PACE bond or Assignment must meet certain criteria related to the ability to underwrite and finance transactions, and will be

evaluated on a project-by-project basis. As of the date of this Handbook, the Program Administrator (an approved Capital Provider) is not actively seeking outside capital to fund projects, but may allow for the Property Owner, or qualified outside Capital Providers, to fund projects on a case-by-case basis.

2 (b) Finance Details

(i) Financing Structure

The Program may use either a "Stand-Alone Bond/Assignment" or a "Pooled Bond/Assignment" to finance projects.

Under the "Stand-Alone Bond/Assignment" model, an individual bond shall be issued by CSCDA secured by the Contractual Assessment on a single Property on which the financed Improvements are installed. Under the "Stand-Alone Assignment" model, an Contractual Assessment levied on a single Property may be assigned to a Capital Provider. It should be noted that under Chapter 29, Contractual Assessments currently may be assigned only for three (3) years before they must be bonded. CleanFund expects to use the Stand-Alone Assignment structure to provide more cost-effective financing; it will arrange for the assignment by CSCDA of a Contractual Assessment in order to provide on-demand financing, and will cause the issuance of a "Pooled Bond" payable from a number of Contractual Assessments in order to spread long-term financing costs across a number of Properties.

Clean Fund may use the "Pooled Bond" structure in two circumstances:

- (i) As described in the previous paragraph, Clean Fund may use a "Pooled Bond" to provide long-term financing for a number of Properties for which initial financing was provided using a Stand-Alone Assignment structure.
- (ii) Clean Fund may provide initial, long-term financing to a number of Properties using a "Pooled Bond".

The pooling process requires various standardization mechanisms across the portfolio of properties, such as interest rate, term, and others. There may be various advantages to this model from a cost and fee perspective, especially as it relates to transactions less than \$500,000.

(ii) Financing Cost; Interest Rate

Financing costs may either be paid by the Property Owner directly or included in the Total Financing Amount. Such costs including financing or commitment fees, legal costs, third-party report costs and other costs customarily incurred in such programs. Financing costs will be determined on a project by project basis, with such costs being based upon actual costs, as well as financing or commitment fees that are negotiated on a project-by-project basis. The elements of the Total Financing Amount and financing cost will be set forth in the Commitment Letter and the Assessment Contract.

Interest rates will be established on a project-by-project basis, and may be a fixed or floating-rate.

(iii) Important Legal Terms

Once the Assessment Contract has been executed and the Notice of Assessment has been recorded, the Property Owner shall be obligated to pay all Installments of the Contractual Assessment pursuant to the Assessment Contract.

Additional terms may apply to Property Owners and Contractors beyond those discussed in this Handbook, and may be set forth in the terms and conditions of the Capital Provider.

Note: The failure to pay the Contractual Assessment in full will result in financial repercussions, including penalties, interest, and possibly foreclosure of the Property.

(iv) Financing Amount

The minimum amount of financing is presently \$50,000 and maximum financing is \$25,000,000 for individual transactions. These minimum and maximum amounts may be adjusted at the discretion of the Program Administrator from time to time, in order to meet current conditions of the capital markets.

All projects are subject to the fees and costs outlined in this Handbook, which shall be due and payable at closing. All fees, including capitalized interest (which may be funded for up to two years), can be added to the Total Financing Amount and paid over the term of the financing along with ordinary principal and interest payments.

(v) Administrative Fees

In order to receive financing, Property Owners must agree to pay administrative and financing fees, some of which are paid at closing and others that are paid over time along with each Contractual Assessment Installment. The fees related to a specific project will be set forth in the Commitment Letter and Assessment Contract.

Application or Underwriting Fees: Application and/or underwriting fees may be charged in connection with submission of the Initial App or upon execution of a Letter of Intent ("LOI").

Closing Fees: Closing fees can be included in the Total Financing Amount and will vary depending on bond structure and project size. Closing fees include program administration, financing, underwriting, legal document preparation and review, lien recordation, and other transaction related project fees.

Optional Project Underwriting and Financing Fees: Property Owners may opt to pay additional closing fees in return for additional services related to project scope and review, financing structuring, or mortgage lender negotiation. Optional fees must be specifically related to project design, financing, or installation.

Ongoing Fees: Fees related to the ongoing administration of Contractual Assessment Installments include the amount charged by counties to collect

Contractual Assessment Installments on the county property tax bill as well as the ongoing costs of the Program Administrator and CSCDA.

2 (c) Application and Financing Process

The application and financing process is set forth below in summary form, then in a more detailed format. As previously noted, the funding of a project may be accomplished either through a Capital Provider's purchase of a bond or Assignment.

(i) Overview of Application and Financing Process

From the perspective of the Property Owner, the application and funding process consists of four (4) steps:

- 1. **Initial App**: Submission of the Initial App, including various data points to confirm Property eligibility, including Property value, requested Total Financing Amount, and scope of Improvements;
- 2. **Letter of Intent**: Execution of Letter of Intent which is a non-binding term sheet outlining financing terms;
- 3. **Underwriting, Final App**: Following underwriting, assuming approval, execution of a Commitment Letter which is a binding agreement to proceed with Program financing;
- 4. **Closing and Funding**: The transaction is deemed closed with the execution of Assessment Contract and other Program documents and funding of the project, which occurs upon issuance of a PACE bond or Assignment.

(ii) Detailed Application and Financing Process

A more complete sequence of events and documents related to the application, underwriting, closing and funding of qualified projects is set forth below:

- 1. Initial App:
 - a. **Project Screening and Initial Proposal**: Property Owners engage with Capital Provider to determine the potential feasibility of financing energy or water Improvements using the Commercial PACEDirect Program. Capital Provider may provide to the Property Owner an indicative proposal of possible financing terms while it screens the Property for eligibility.
 - b. **Submission of Initial App:** Property Owner submits an Initial App, or completed initial questionnaire ("Initial App") to Program Administrator to facilitate evaluation of the contemplated project. This Initial App includes the project definition, estimated scope of work, estimated cost and other information.
- 2. **Letter of Intent:** Following Program Administrator's receipt and approval of the Initial App, it will present to the Property Owner a

detailed LOI for the Property Owner to review and execute. The LOI contains detailed terms of the proposed financing. The LOI may require the Property Owner to post a nominal Program underwriting fee and/or deposit.

3. Underwriting and Final Application:

- a. Following execution of the LOI, Capital Provider commences underwriting of the transaction, which includes working with the Property Owner to obtain mortgage lender acknowledgement (if the Property has a mortgage), and evaluating various aspects of the proposed project and credit characteristics of the Property. To facilitate Capital Provider's underwriting, Property Owner provides various other data and documents, including but not limited to:
 - i. Mortgage lender statement (most recent)
 - ii. Written mortgage lender acknowledgement
 - iii. Tax ID number for Property Owner
 - iv. Property Owner and related entity organizational documents, (e.g., operating agreement, articles of incorporation) along with corporate resolutions of Property Owner(s) that establish authority of the Property Owner and designated individuals to execute the Assessment Contract.
 - v. Property appraisal (most recent)
 - vi. Property tax bill (most recent)
 - vii. Financial statements of the Property or Property Owner (prior two full years and year-to-date)
 - viii. Rent roll showing details of tenant leases
 - ix. Evidence of property insurance
 - x. Final Program application
 - xi. Contractor and engineer certification package (setting forth detailed project scope/description, item eligibility, cost estimates and savings estimates)
- b. Upon completion of the underwriting process, Program Administrator will approve or decline the Property Owner's final application based upon its evaluation of the project in relation to eligibility requirements set forth in this Handbook, and other factors in its sole discretion. If approved, Capital Provider issues a commitment letter ("Commitment Letter") to the Property Owner, which includes all of the final terms and conditions of the financing, including a funding reservation period. If declined, Capital

- Provider issues a notice of declination to the Property Owner.
- c. Upon receipt of an executed Commitment Letter from the Property Owner, Capital Provider will prepare and submit closing documentation to the Property Owner, along with ensuring all conditions to closing are met.

4. Assessment Contract Preparation and Execution:

- a. Financing documents will be prepared by bond counsel in conformance with the terms and conditions set forth in the Commitment Letter, this Handbook and other documents as appropriate.
- b. Program Administrator, CSCDA and other parties finalize all documentation for the Transaction.
- c. Property Owner, CSCDA and Program Administrator will execute the closing documents.
- d. The Notice of Assessment/Payment of Contractual Assessment Required (which may include the Assessment Contract) is recorded on title, and a final title report is generated witnessing the recording.
- e. A bank is identified by CSCDA to serve as the independent trustee ("Trustee") for the Bonds or Assignment.

5. **Closing; Transaction Funding**: The transaction is closed and funded in connection with several key events:

- a. Within a period that is typically seven business days following recordation of the Assessment Contract, Capital Provider purchases the PACE bond, or causes an Assignment of the Assessment Contract.
- b. Proceeds from the purchase of the Bond or the Assignment are used to pay transaction costs and fees, and to fund the Program Account, from which funds are available for disbursement to fund the Improvements.
- c. At closing, or over time following closing, Trustee releases the proceeds from the sale of the PACE bond to pay for the Improvements pursuant to a payment schedule or other Program requirements (in some cases, payments are made to the Property Owner to reimburse them for previously incurred costs).

(iii) Funding Request and Disbursement

The Program Administrator will work with the PACE financing trustee to disburse funds from the Program Fund within approximately seven (7) business days of receiving a complete request for disbursement from the

Property Owner or designee. The Assessment Contract may provide for periodic disbursements tied to specific milestones ("progress payments"). Such progress payments will be based on the approved PACE project scope outlined in in the Assessment Contract or Construction Contract. Progress payments shall be made no more frequently than monthly, based on a percentage of work completed, or other such milestone payment schedule as may be established between the Program Administrator and Property Owner.

In general, the Program Administrator will require and review the various forms of documentation in connection with approving the release of progress payments, including but not limited to the following:

- 1. Applicable Building/Construction Permit(s), Material Needs List, Scope of Work to be completed within Progress Milestone.
- 2. AIA G702 or equivalent invoices, Cost Statements (or equivalent) from Contractor showing progress to date.
- 3. Fully Executed Unconditional or Conditional Lien Waiver and Release on Progress Payment, as applicable.
- 4. Photographic documentation of completed work.
- 5. Certification of Contractor, architect, engineer and owner that the milestone related to the applicable Improvement has been achieved, inspected and has been installed in accordance with plans and specifications.
- 6. Executed Disbursement Request.

The Program Administrator will require and review the following documentation in coordination with the release of the *final* progress payment:

- 1. Signed final permit inspection from Building Inspection Department (or equivalent approving authority), including, if applicable, permission to operate Improvements in accordance with municipal requirements
- 2. AIA G702 or equivalent final invoice from all Contractor(s) and engineer(s) for all Improvements completed on the Property.
- 3. Fully Executed Conditional and/or Unconditional Lien Waiver and Release Upon Final Payment.
- 4. Photographic documentation of completed work.
- 5. Certification of Contractor, architect, engineer and owner that the milestone related to the applicable Improvement has been achieved, inspected and has been installed in accordance with plans and specifications.
- 6. Executed Disbursement Request.

Once the conditions above have been met and relevant documentation received, the Program Administrator will approve the Trustee to release funds to the Property Owner or Contractor, as specified in the Disbursement Request.

(iv) Transfer or Resale of Property

If the subject Property is transferred or sold prior to the end of the term of the Contractual Assessment, the unpaid Contractual Assessment will remain with the Property, without any further approval by the new owner of the Property. A Property Owner may choose to prepay the outstanding balance of the Contractual Assessment Installments, subject to the prepayment provisions outlined in this Handbook.

Participants in the Program agree to make all necessary disclosures regarding the existence of the Contractual Assessment in connection with any Property sale or transfer.

PACE Project Scope Defined
Injuts from Property Owner, General Contractor, and Capital Provider

Lender Consent Obtained
Property Owner and Capital Provider engage Mortgage Lender to obtain consent to PACE financing (if applicable)

Transaction Documents
Property Owner executes
Assessment Contract
Assignment Financing Structure or Assignment Financing Structure

Alministrator

Letter of Intent Issued
Capital Provider Intent signed by Property Owner Submits all required documentation to Capital Provider Submits all required documentation to Capital Provider
Obtained

Closing/Funding
Disbursements
Property Owner executes
Assessment Contract recorded in County Land Records

Closing/Funding
Disbursements
Property Owner submits disbursement request to Program Administrator in accordance with work completed.

desired

Figure 1 – Transaction Process

(v) Technical Details

1. Authorized Improvements

All Improvements must meet the following set of criteria to be eligible for Commercial PACEDirect Program Financing:

- a. Effective Useful Life ("EUL") of five years or longer.
- b. Permanently affixed to the Real Property or building as defined in Chapter 29.
- c. Capacity to reduce energy or water usage, produce on-site renewable energy generation, provide seismic strengthening, provide infrastructure for electric vehicle charging or achieve other public purposes identified in Chapter 29.

The hard and soft costs that are incurred in connection with installation of Authorized Improvements are eligible for financing under the Program, including design, permitting and other costs customarily incurred in connection with installation of Authorized Improvements. The Program maintains a list of common energy efficiency, renewable energy, water conservation and seismic strengthening measures on its web site at www.cleanfund.com.

Additional custom measures will be evaluated on a project-by-project basis to validate energy and water savings, seismic strengthening or renewable generation capacity.

The Program Administrator does not recommend any specific measures or provide performance guarantees for any Improvements financed through the Commercial PACEDirect Program. Neither CleanFund, nor CSCDA or any of its employees or its agents is responsible for the measures or their performance. Property Owners are solely responsible for the installed equipment and any malfunction or failure of that equipment. As such, Property Owners are encouraged to conduct an independent verification of all Improvements with a third-party engineer.

2. Quality Assurance

The Program Administrator will determine that the financed Improvements meet any applicable requirements in Chapter 29.

The Program Administrator must determine that a bona fide reduction in energy and/or water use is associated with the financed Improvements related to energy efficiency, generation or water conservation. This energy savings benefit may be validated by an energy audit or alternative energy assessment.

The Program Administrator requires a written estimate by a licensed architect, engineer and/or Contractor to setting forth the reduction in energy and/or water usage associated with the Improvements.

For seismic Improvements, documentation of the scope of work from a licensed structural engineer is required. Such documentation shall state that the seismic strengthening costs being financed are reasonable, customary, and appropriate to accomplish seismic strengthening given the specific project characteristics.

3. Participation in Rebate/Incentive Programs

Property Owners who apply for and receive financing through the Commercial PACEDirect Program may also apply for rebate and incentive programs offered through the regulated utilities. Participation in these programs is entirely voluntary and at the discretion of the Property Owner.

Section 3 – General Terms and Provisions

3 (a) Taxes

Property Owners shall be solely responsible for the federal and State tax implication of their participation in the Commercial PACEDirect Program.

3 (b) Changes in State and Federal Law

CSCDA's ability to issue bonds, or execute Assignments, is subject to a variety of state and federal laws. If those laws, or the judicial interpretation thereof, were to change after the Property Owner has applied for funding (and, thereafter, incurred the cost of installation in anticipation of Program funding) but before CSCDA issues a bond or executed an Assignment to finance the funding request, CSCDA may be unable to fulfill the funding request. CSCDA shall have no liability as a result of any such change in law or judicial interpretation.

3 (c) Changes in the Program Terms; Severability

This Handbook shall only be used as a reference document and is subject in its entirety to the Program Report for Open PACE, as may be amended by the Commission from time to time (the "Program Report"). CleanFund reserves the right to make modifications to the terms and provisions contained herein at any time and without notice.

If any provision within this Handbook is determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from this Handbook and shall not affect the validity and enforceability of any remaining provisions.

It is the Property Owner's sole responsibility to ensure that they have the most up-to-date version of Program documents.

3 (d) Disclosure of Property Owner Information

Property Owners must agree to allow the Program to disclose its personal/corporate information submitted as part of the Program to the Program Administrator, and that the Program and the Program Administrator may disclose the Property Owner's information to third parties when such disclosure is essential to the conduct of the Program's business or to provide services to the Property Owner, including but not limited to where such disclosure is necessary to: (i) comply with the law, legal process or regulators, and (ii) enable Open PACE or the Program Administrator's employees or consultants to provide services to the Property Owner or to otherwise perform their duties. The Program will not provide Property Owner information to third parties for telemarketing, e-mail or direct mail solicitation.

All Property Owner information obtained is treated with care in order to protect privacy and security.

3 (e) Renewable Energy Credits

Unless CSCDA and a Property Owner otherwise agree in an Assessment Contract, CSCDA maintains the rights to all Renewable Energy Credits (RECs) for all projects financed through the Commercial PACEDirect Program.

3 (f) Fraud

Giving materially false, misleading or inaccurate information or statements to the Program or its agents and partners (or failing to provide the Program with material information) in connection with an application is punishable by law. Material representations include, but are not limited to, representations concerning the project costs, ownership structure and financial information relating to the Property and the applicant.

3 (g) Exceptions to these Terms and Provisions

The Program Administrator may make exceptions to the terms and provisions detailed in this Handbook where there is a finding that such exception furthers the goals and objectives of the Program, but no such exceptions may conflict with the Program Report.

Appendix of Program Documents

Exhibit A – Form of Assessment Contract

References

Chapter 29

(http://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?t ocCode=SHC&division=7.&title=&part=3.&chapter=29.&article=) >

Database of State Incentives for Renewables & Efficiency http://www.dsireusa.org/

PACENow < http://www.pacenation.us/>



Agenda Item No. 16

Agenda Report

DATE: September 15, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of General Liability Insurance for CSCDA.

BACKGROUND AND SUMMARY:

On the advice of General Counsel, CSCDA staff requested quotes for general liability insurance for CSCDA. Over the past year a number of CSCDA JPA members have requested proof of such insurance prior to opting in to CSCDA's PACE programs.

CSCDA received a quote from Interwest Insurance Services for \$400 annually consisting of \$2,000,000 in aggregate general liability coverage. Interwest also provides CSCDA's current Directors and Officers insurance policies.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of CSCDA obtaining general liability insurance based upon the above-referenced quote from Interwest Insurance Services.