





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

September 23, 2014 10:00 a.m. California State Association of Counties 1100 K Street, 1st Floor Sacramento, California

County of Monterey 168 West Alisal Street Salinas, CA 93901 County of Yuba 915 8th Street, Suite 103 Marysville, CA 95901

Town of Portola Valley 765 Portola Road Portola Valley, CA 94028

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the August 21, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Indio Family Housing Apartments, L.P. (Indio Desert Palms Apartments), City of Indio, County of Riverside; up to \$16 million in multifamily housing revenue notes. (Staff: Caitlin Lanctot)

This	_ page agenda was posted at 1100 K Street, Sacramento, California on	, 2014 at: _	<u></u> m
Signed _	Please fax signed page to (925) 933-8457.		

- b. Canyon View Preservation, LP (Canyon View Apartments), City of Colfax, County of Placer; up to \$9 million in multifamily housing revenue notes. (Staff: Scott Carper)
- c. Lynroc Preservation, LP (Lyn-Roc Apartments), City of Rocklin, County of Placer; up to \$11 million in multifamily housing revenue notes. (Staff: Scott Carper)
- d. Total Road Improvement Program (TRIP) Approval, City of Lake Elsinore, County of Riverside; up to \$10,000,000 in Sales Tax Revenue Certificates of Participation. (Staff: Caitlin Lanctot)
- VI. Consideration of resolution authorizing the execution and delivery of a supplemental indenture relating to the Casa de Vallejo Apartments Series 2005 AA. (Staff: Caitlin Lanctot)
- VII. Consideration of the City of Cloverdale Acknowledgement to waive the sixty day notice of prepayment.
- VIII. Consideration of submitting a request to the California Supreme Court to depublish the Appellate Court decision in City of San Diego v. Shapiro.
 - IX. Consideration of an Amended and Restated Request for Proposal for CSCDA Program Origination, Program Development and Management Services.
 - X. Public Comment.
 - XI. Adjourn.

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Signed .	Please fax signed page to (925) 933-8457.		

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY CONSENT CALENDAR

1. Consent Calendar:

- a. Inducement of Community Preservation Partners, LLC (Northwest Manor I Apartments), City of Pasadena, County of Los Angeles; issue up to \$9 million in multi-family housing revenue bonds.
- b. Resolution ordering judicial foreclosure related to assessment district 03-01(Contra Costa)
- c. Resolution ordering judicial foreclosure related to assessment district 05-01(Placer)
- d. Resolution ordering judicial foreclosure related to assessment district 05-01(San Mateo)
- e. Resolution ordering judicial foreclosure related to assessment district 06-01(Placer)
- f. Resolution ordering judicial foreclosure related to assessment district 06-01(San Mateo)
- g. Resolution ordering judicial foreclosure related to assessment district 11-01(San Joaquin)

Tuesday, September 23, 2014

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

This page agenda was posted at _	on	, at: m. Signed
	Please fax signed page to (925) 933-8457.	,

Item II

Consideration of the Minutes of the August 21, 2014 Regular Meeting.

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

California State Association of Counties 1100 K Street, Sacramento, California

August 21, 2014

MINUTES

Commission chair Larry Combs called the meeting to order at 10:02 am.

I. Roll Call.

Commission members present: Larry Combs, Terry Schutten, Tim Snellings and Dan Harrison. Irwin Bornstein and Dan Mierzwa participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer, League of California Cities; Caitlin Lanctot, HB Capital; Laura Labanieh Campbell, CSAC Finance Corporation; Brandon Dias, Orrick Herrington & Sutcliffe; and Mark Paxson, State Treasurer's Office. Greg Stepanicich, Richards Watson & Gershon; and Scott Carper, HB Capital, participated by conference telephone.

II. Approval of minutes—August 7, 2014.

The commission approved the minutes for the regular meeting held August 7, 2014.

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

III. Staff Updates.

Caitlin Lanctot reminded commissioners that both September meetings have been rescheduled as follows: the first meeting will be held at the League's office on Thursday, September 11 (originally set for September 4); and the second meeting will be held at CSAC's office on Tuesday, September 23 (originally set for September 18).

Laura Labanieh Campbell shared that there has been a lot of action relating to the residential CaliforniaFIRST program. Not too much has made its way all the way through the process, but a lot is in the queue.

IV. Approval of Consent Calendar.

- 1. Induce the following projects:
 - a. Cordova Meadows Investors, LP (Cordova Meadows Apartments), City of Rancho Cordova, County of Sacramento; issue up to \$13 million in multi-family housing revenue bonds.

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

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

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

- a. Daughters of Charity Health System (DCHS), Town of Los Altos Hills, County of Santa Clara; issue up to \$15 million in tax-exempt notes. DCHS is a nonprofit regional health system providing acute, long-term, community health, psychiatric, rehabilitation and residential care. The proceeds will provide additional working capital until DCHS' hospitals have been sold, which is expected to close late this year.
 - Motion to approve staff recommendation by Schutten; second by Snellings; unanimously approved by roll-call vote.
- b. Community Center Project, City of Commerce, County of Los Angeles; up to \$14 million in lease revenue refunding bonds. City of Commerce (City) previously issued \$15,040,000 in lease revenue bonds (series 2004 bonds) to finance construction, renovation, furnishing and equipping of the City Hall annex, and to refinance series 1997A bonds. The Authority will enter into a site lease where the City will lease the property to the Authority and then the City and Authority will enter into a facility lease to allow the City to sublease the site from the Authority. The refinancing will result in significant public benefit, including greater efficiencies, economies of scale, and decreased interest rates.

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

VI. Conduct proceedings with respect to Statewide Community Infrastructure Program (SCIP), Assessment District 14-02 City of Rocklin, County of Placer.

- a. At 10:14 am Commission chair Larry Combs opened the public hearing and invited public comments.
- b. There were no public comments, so the public hearing was closed at 10:14 am.
- c. The mailed ballot election was conducted. Erin Pham reported an official property owner assessment ballot was received favoring establishment of the district and levying the assessment. No protests were received.

Motion to approve the resolution approving the final engineer's report by Harrison; second by Schutten; unanimously approved by roll-call vote.

Motion to approve the resolution approving the trust agreement by Harrison; second by Schutten; unanimously approved by roll-call vote.

VII. Public Comment.

None.

X. Adjournment.

Commission chair Larry Combs adjourned the meeting at 10:19 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

The next regular meeting of the commission is scheduled for Thursday, September 11, at 10:00 a.m. in the League of California Cities' office at 1400 K Street, Sacramento, California.

Item IV

Consent Calendar:

- a. Inducement of Community Preservation Partners, LLC (Northwest Manor I Apartments), City of Pasadena, County of Los Angeles; issue up to \$9 million in multi-family housing revenue bonds.
- b. Resolution ordering judicial foreclosure related to assessment district 03-01(Contra Costa)
- c. Resolution ordering judicial foreclosure related to assessment district 05-01(Placer)
- d. Resolution ordering judicial foreclosure related to assessment district 05-01(San Mateo)
- e. Resolution ordering judicial foreclosure related to assessment district 06-01(Placer)
- f. Resolution ordering judicial foreclosure related to assessment district 06-01(San Mateo)
- g. Resolution ordering judicial foreclosure related to assessment district 11-01(San Joaquin)

Applicant Information

Primary Contact E-mail: kbuckland@wncinc.com

Name of Developer: Community Preservation Partners, LLC

TIN or EIN: 87-0724333

Primary Contact

First Name: Karen Last Name: Buckland

Title: Director - Community Preservation

Address:

Street: 17782 Sky Park Cicle Suite:

City: Irvine State: California Zip: 92614

Phone: **949-236-8135** Ext: Fax: **714-662-6834**

Email: kbuckland@wncinc.com

Borrower Description:

Same as developer? Name of Borrowing Entity: TBD

Type of Entity:

O For-profit Corporation O Non-profit Corporation

Partnership
 Other (specify)

Will you be applying for State Volume Cap?

Date Organized: TBD

No. of Multi-Family Housing Projects Completed in the Last 10 Years: 54

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: 54

Primary Billing Contact

Organization: Community Preservation Partners, LLC

First Name: Karen Last Name: Buckland

Title: Director - Community Preservation

Address

Street: 17782 Sky Park Cicle Suite:

City: Irvine State: California Zip: 92614

Phone: **949-236-8135** Ext: Fax: **714-662-6834**

Email: kbuckland@wncinc.com

Project Information

Project Information

Project Name: **Northwest Manor I**New Project Name(optional):

Facility Information

Facility #1

Facility Name: Northwest Manor I
Facility Bond Amount: \$7,000,000.00

Project Address:

Street: 985, 1009 N Raymond & 1010, 1050 N Summit

City: Pasadena State: California Zip: 91103

County: Los Angeles

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

N

Total Number of Units:

Market: Restricted: 44

Total: 44

Lot size: 65,361 sqft

Amenities:

Unit Amenities: Range, Refrigerator, Disposal and Window Coverings. Project Amenities: On-site Management.

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

Four two-story wood frame, concrete slab on grade buildings, with painted stucco finish and flat asphalt roofs.

Type of Housing:	
O New Construction	Acquisition/Rehab
Facility Use:	
Family	O Senior
Is this an Assisted Living Facility?	

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

Name of Agency:

First Name: Last Name:

Title:

Phone: Ext: Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	4	764.00	1,325.00	561.00
2.	1 Bedroom	60	10	917.00	1,325.00	408.00
3.	2 Bedrooms	50	9	917.00	1,500.00	583.00
4.	2 Bedrooms	60	21	1,101.00	1,500.00	399.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
27	25	41

Financing Information

Financing Information

Maturity 17 Years

Interest Rate Mode:				
Fixed	☐ Variable			
Type of Offering:				
☐ Public Offering	☐ Public Offering			
New Construction	Acquisition of E	xisting Facility		
Refunding				
(Refunding only)Will you be applying for Sta	te Volume Cap? O Yes O No			
Is this a transfer of property to a new owner	? O Yes O No			
Construction Financing:				
Credit Enhancement	✓ None			
Letter of Credit	Other (specify)	Other (specify)		
Name of Credit Enhancement Provider or P	rivate Placement Purchaser:			
Permanent Financing:				
Credit Enhancement	None			
Letter of Credit	Other (specify)			
Name of Credit Enhancement Provider or P	rivate Placement Purchaser:			
Expected Rating:				
✓ Unrated				
Moody's:	S&P:	Fitch:		
Projected State Allocation Pool:				
● General ○ Mixed Income ○ Rural				
Will the project use Tax-Credit as a souce of	f funding?			

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	\$7,000,000.00
Taxable Bond Proceeds:	\$
Tax Credits:	\$3,254,104.00
Developer Equity:	\$158,971.00
Other Funds (Describe):	
NOI	\$236,059.00
	<u> </u>
	<u> </u>
	\$
Total Sources:	\$10,649,134.00
Uses:	
Land Acquisition:	\$440,000.00
Building Acquisition:	\$5,923,000.00
Construction or Remodel:	\$1,843,570.00
Cost of Issuance:	\$110,750.00
Capitalized Interest:	\$291,374.00
Reserves:	\$166,000.00
Other Uses (Describe):	
Legal and Professional	\$190,000.00
Financing Costs	\$227,000.00
Developer Fee	\$1,262,618.00
Misc Soft Costs	\$194,822.00
-	\$
Total Uses:	\$10,649,134.00

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: **Thomas**Last Name: **Downey**

Title: Special Counsel

Address:

Street: 405 Howard Street Suite:

 City: San Francisco
 State: California
 Zip: 94105-2669

 Phone: 415-773-5965
 Ext:
 Fax: 415-773-5759

Email: tdowney@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:TBD Primary Contact

First Name: **TBD**Last Name: **TBD**

Title: **TBD**Address:

Street: **TBD** Suite:

City: **TBD** State: **California** Zip: **92614**

Phone: **949-236-8135** Ext: Fax:

Email: kbuckland@wncinc.com

Financial Advisor

Firm Name:N/A
Primary Contact

First Name: N/A Last Name: N/A

Title: N/A
Address:

Street: N/A Suite:

City: N/A State: California Zip: 92614

Fax:

Phone: **949-236-8135** Ext:

Email: kbuckland@wncinc.com

Rebate Analyst

Firm Name:TBD Primary Contact

First Name: TBD Last Name: TBD

Title: **TBD**Address:

Street: **TBD** Suite:

City: **TBD** State: **California** Zip: **92614**

Phone: **949-236-8135** Ext: Fax:

Email: kbuckland@wncinc.com

RESOLUTION NO. 14_-

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ORDERING
JUDICIAL FORECLOSURE OF DELINQUENT ASSESSMENT
INSTALLMENTS LEVIED WITHIN ASSESSMENT DISTRICT NO. 03-01
(CONTRA COSTA) PURSUANT TO THE MUNICIPAL IMPROVEMENT
ACT OF 1913 AND ORDERING THAT THE TAX COLLECTOR BE
CREDITED WITH THOSE INSTALLMENTS

WHEREAS, Assessment District No. 03-01 (Contra Costa) (the "Assessment District") of the California Statewide Communities Development Authority ("CSCDA") has levied special assessments for the payment of bonds ("Special Assessments") pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Municipal Act") and incurred bonded indebtedness pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Act"); and

WHEREAS, pursuant to the provisions of the Municipal Act and Bond Act, the County Tax Collector has duly and regularly levied and recorded the Special Assessments, which Special Assessments, and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

WHEREAS, certain Special Assessments have not been paid when due, and certain Special Assessments may not be paid in the future; and

WHEREAS, pursuant to provisions of the Bond Act, this Commission of the California Statewide Communities Development Authority, acting in its capacity as the legislative body of the Assessment District ("Commission"), is authorized, not later than four (4) years subsequent to the last maturity of the principal of bonds secured by the assessment, to order the delinquent Special Assessments to be collected by an action brought in the superior court to foreclose the lien of those Special Assessments; and

WHEREAS, pursuant to the provisions of the Bond Act, CSCDA covenanted for the benefit of bondholders to commence and diligently prosecute any foreclosure action regarding delinquent installments of any assessments which secure the bonds that were issued by the Assessment District; and

WHEREAS, the Commission has determined that public convenience and necessity require prompt action to initiate foreclosure proceedings; and

WHEREAS, pursuant to the provisions of the Bond Act, when an action is ordered to foreclose on a lien of delinquent Special Assessments, the County Tax Collector shall be credited upon the current assessment roll with the amount charged against the delinquent account, including applicable penalties, interest and costs, and to be relieved of further duty in regard thereto; and

WHEREAS, the Commission previously retained Stradling, Yocca, Carlson & Rauth, a Professional Corporation ("Special Counsel"), to prosecute such judicial foreclosure actions;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY THAT:

- Section 1. The Commission hereby finds and determines that the foregoing recitals are true and correct.
- Section 2. All delinquent Special Assessments on parcels listed in Exhibit A attached hereto and incorporated herein, and all future Special Assessments on said parcels which are not paid when due, along with all delinquent penalties, interest and fees, shall be collected by action brought in the Superior Court of Contra Costa County to foreclose the liens thereof pursuant to the California Streets and Highways Code.
- <u>Section 3.</u> All costs and attorneys' fees incurred in the collection of the delinquent Special Assessments shall be sought in the foreclosure action pursuant to the California Streets and Highways Code. Special Counsel is authorized to require the payment of costs and attorneys' fees as a condition of any pre-judgment or post-judgment redemption.
- <u>Section 4.</u> Special Counsel in conjunction with CSCDA personnel and consultants are authorized and directed as applicable, pursuant to Streets and Highways Code Section 8833(a):
- a) To record notices of intent to remove the delinquent special assessment installments from the tax rolls; and
- b) To request that the applicable County officials remove current and future delinquent assessment installments from the tax rolls.
- <u>Section 5.</u> All inquiries regarding payment of the delinquent Special Assessments shall be forwarded to Stradling Yocca Carlson & Rauth c/o Allison E. Burns, Esq., 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660.
 - <u>Section 6.</u> This resolution shall take effect immediately upon its adoption.
- **PASSED AND ADOPTED** by the California Statewide Communities Development Authority on September 23, 2014.

* * * * *

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 23, 2014.

By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

Parcel	Owner's Name	District	Tax Year	Installments
5404800996	GRAY NATHALIO D	AD 03-01 (Contra	2013/14	2nd
		Costa)		

RESOLUTION NO. 14_-

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ORDERING
JUDICIAL FORECLOSURE OF DELINQUENT ASSESSMENT
INSTALLMENTS LEVIED WITHIN ASSESSMENT DISTRICT NO. 05-01
(PLACER) PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF
1913 AND ORDERING THAT THE TAX COLLECTOR BE CREDITED
WITH THOSE INSTALLMENTS

WHEREAS, Assessment District No. 05-01 (Placer) (the "Assessment District") of the California Statewide Communities Development Authority ("CSCDA") has levied special assessments for the payment of bonds ("Special Assessments") pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Municipal Act") and incurred bonded indebtedness pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Act"); and

WHEREAS, pursuant to the provisions of the Municipal Act and Bond Act, the County Tax Collector has duly and regularly levied and recorded the Special Assessments, which Special Assessments, and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

WHEREAS, certain Special Assessments have not been paid when due, and certain Special Assessments may not be paid in the future; and

WHEREAS, pursuant to provisions of the Bond Act, this Commission of the California Statewide Communities Development Authority, acting in its capacity as the legislative body of the Assessment District ("Commission"), is authorized, not later than four (4) years subsequent to the last maturity of the principal of bonds secured by the assessment, to order the delinquent Special Assessments to be collected by an action brought in the superior court to foreclose the lien of those Special Assessments; and

WHEREAS, pursuant to the provisions of the Bond Act, CSCDA covenanted for the benefit of bondholders to commence and diligently prosecute any foreclosure action regarding delinquent installments of any assessments which secure the bonds that were issued by the Assessment District; and

WHEREAS, the Commission has determined that public convenience and necessity require prompt action to initiate foreclosure proceedings; and

WHEREAS, pursuant to the provisions of the Bond Act, when an action is ordered to foreclose on a lien of delinquent Special Assessments, the County Tax Collector shall be credited upon the current assessment roll with the amount charged against the delinquent account, including applicable penalties, interest and costs, and to be relieved of further duty in regard thereto; and

WHEREAS, the Commission previously retained Stradling, Yocca, Carlson & Rauth, a Professional Corporation ("Special Counsel"), to prosecute such judicial foreclosure actions;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY THAT:

- Section 1. The Commission hereby finds and determines that the foregoing recitals are true and correct.
- <u>Section 2.</u> All delinquent Special Assessments on parcels listed in Exhibit A attached hereto and incorporated herein, and all future Special Assessments on said parcels which are not paid when due, along with all delinquent penalties, interest and fees, shall be collected by action brought in the Superior Court of Placer County to foreclose the liens thereof pursuant to the California Streets and Highways Code.
- <u>Section 3.</u> All costs and attorneys' fees incurred in the collection of the delinquent Special Assessments shall be sought in the foreclosure action pursuant to the California Streets and Highways Code. Special Counsel is authorized to require the payment of costs and attorneys' fees as a condition of any pre-judgment or post-judgment redemption.
- <u>Section 4.</u> Special Counsel in conjunction with CSCDA personnel and consultants are authorized and directed as applicable, pursuant to Streets and Highways Code Section 8833(a):
- a) To record notices of intent to remove the delinquent special assessment installments from the tax rolls; and
- b) To request that the applicable County officials remove current and future delinquent assessment installments from the tax rolls.
- <u>Section 5.</u> All inquiries regarding payment of the delinquent Special Assessments shall be forwarded to Stradling Yocca Carlson & Rauth c/o Allison E. Burns, Esq., 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660.
 - <u>Section 6.</u> This resolution shall take effect immediately upon its adoption.
- **PASSED AND ADOPTED** by the California Statewide Communities Development Authority on September 23, 2014.

* * * * *

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 23, 2014.

By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

Parcel	Owner's Name	District	Tax Year	Installments
365310016000	CATER PAUL EUGENE TR ET AL	AD 05-01 (Placer)	2013/14	1st & 2nd

RESOLUTION NO. 14_-

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ORDERING
JUDICIAL FORECLOSURE OF DELINQUENT ASSESSMENT
INSTALLMENTS LEVIED WITHIN ASSESSMENT DISTRICT NO. 05-01
(SAN MATEO) PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT
OF 1913 AND ORDERING THAT THE TAX COLLECTOR BE CREDITED
WITH THOSE INSTALLMENTS

WHEREAS, Assessment District No. 05-01 (San Mateo) (the "Assessment District") of the California Statewide Communities Development Authority ("CSCDA") has levied special assessments for the payment of bonds ("Special Assessments") pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Municipal Act") and incurred bonded indebtedness pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Act"); and

WHEREAS, pursuant to the provisions of the Municipal Act and Bond Act, the County Tax Collector has duly and regularly levied and recorded the Special Assessments, which Special Assessments, and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

WHEREAS, certain Special Assessments have not been paid when due, and certain Special Assessments may not be paid in the future; and

WHEREAS, pursuant to provisions of the Bond Act, this Commission of the California Statewide Communities Development Authority, acting in its capacity as the legislative body of the Assessment District ("Commission"), is authorized, not later than four (4) years subsequent to the last maturity of the principal of bonds secured by the assessment, to order the delinquent Special Assessments to be collected by an action brought in the superior court to foreclose the lien of those Special Assessments; and

WHEREAS, pursuant to the provisions of the Bond Act, CSCDA covenanted for the benefit of bondholders to commence and diligently prosecute any foreclosure action regarding delinquent installments of any assessments which secure the bonds that were issued by the Assessment District; and

WHEREAS, the Commission has determined that public convenience and necessity require prompt action to initiate foreclosure proceedings; and

WHEREAS, pursuant to the provisions of the Bond Act, when an action is ordered to foreclose on a lien of delinquent Special Assessments, the County Tax Collector shall be credited upon the current assessment roll with the amount charged against the delinquent account, including applicable penalties, interest and costs, and to be relieved of further duty in regard thereto; and

WHEREAS, the Commission previously retained Stradling, Yocca, Carlson & Rauth, a Professional Corporation ("Special Counsel"), to prosecute such judicial foreclosure actions;

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- Section 1. The Commission hereby finds and determines that the foregoing recitals are true and correct.
- <u>Section 2.</u> All delinquent Special Assessments on parcels listed in Exhibit A attached hereto and incorporated herein, and all future Special Assessments on said parcels which are not paid when due, along with all delinquent penalties, interest and fees, shall be collected by action brought in the Superior Court of San Mateo County to foreclose the liens thereof pursuant to the California Streets and Highways Code.
- <u>Section 3.</u> All costs and attorneys' fees incurred in the collection of the delinquent Special Assessments shall be sought in the foreclosure action pursuant to the California Streets and Highways Code. Special Counsel is authorized to require the payment of costs and attorneys' fees as a condition of any pre-judgment or post-judgment redemption.
- <u>Section 4.</u> Special Counsel in conjunction with CSCDA personnel and consultants are authorized and directed as applicable, pursuant to Streets and Highways Code Section 8833(a):
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By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

Parcel	Owner's Name	District	Tax Year	Installments
080072280	MCMURTRY DAVID HARWOOD TR	AD 05-01 (San Mateo)	2013/14	2nd
080085100	TISCORNIA TIA	AD 05-01 (San Mateo)	2013/14	2nd

RESOLUTION NO. 14_-

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ORDERING
JUDICIAL FORECLOSURE OF DELINQUENT ASSESSMENT
INSTALLMENTS LEVIED WITHIN ASSESSMENT DISTRICT NO. 06-01
(PLACER) PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF
1913 AND ORDERING THAT THE TAX COLLECTOR BE CREDITED
WITH THOSE INSTALLMENTS

WHEREAS, Assessment District No. 06-01 (Placer) (the "Assessment District") of the California Statewide Communities Development Authority ("CSCDA") has levied special assessments for the payment of bonds ("Special Assessments") pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Municipal Act") and incurred bonded indebtedness pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Act"); and

WHEREAS, pursuant to the provisions of the Municipal Act and Bond Act, the County Tax Collector has duly and regularly levied and recorded the Special Assessments, which Special Assessments, and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

WHEREAS, certain Special Assessments have not been paid when due, and certain Special Assessments may not be paid in the future; and

WHEREAS, pursuant to provisions of the Bond Act, this Commission of the California Statewide Communities Development Authority, acting in its capacity as the legislative body of the Assessment District ("Commission"), is authorized, not later than four (4) years subsequent to the last maturity of the principal of bonds secured by the assessment, to order the delinquent Special Assessments to be collected by an action brought in the superior court to foreclose the lien of those Special Assessments; and

WHEREAS, pursuant to the provisions of the Bond Act, CSCDA covenanted for the benefit of bondholders to commence and diligently prosecute any foreclosure action regarding delinquent installments of any assessments which secure the bonds that were issued by the Assessment District; and

WHEREAS, the Commission has determined that public convenience and necessity require prompt action to initiate foreclosure proceedings; and

WHEREAS, pursuant to the provisions of the Bond Act, when an action is ordered to foreclose on a lien of delinquent Special Assessments, the County Tax Collector shall be credited upon the current assessment roll with the amount charged against the delinquent account, including applicable penalties, interest and costs, and to be relieved of further duty in regard thereto; and

WHEREAS, the Commission previously retained Stradling, Yocca, Carlson & Rauth, a Professional Corporation ("Special Counsel"), to prosecute such judicial foreclosure actions;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY THAT:

- Section 1. The Commission hereby finds and determines that the foregoing recitals are true and correct.
- <u>Section 2.</u> All delinquent Special Assessments on parcels listed in Exhibit A attached hereto and incorporated herein, and all future Special Assessments on said parcels which are not paid when due, along with all delinquent penalties, interest and fees, shall be collected by action brought in the Superior Court of Placer County to foreclose the liens thereof pursuant to the California Streets and Highways Code.
- <u>Section 3.</u> All costs and attorneys' fees incurred in the collection of the delinquent Special Assessments shall be sought in the foreclosure action pursuant to the California Streets and Highways Code. Special Counsel is authorized to require the payment of costs and attorneys' fees as a condition of any pre-judgment or post-judgment redemption.
- <u>Section 4.</u> Special Counsel in conjunction with CSCDA personnel and consultants are authorized and directed as applicable, pursuant to Streets and Highways Code Section 8833(a):
- a) To record notices of intent to remove the delinquent special assessment installments from the tax rolls; and
- b) To request that the applicable County officials remove current and future delinquent assessment installments from the tax rolls.
- <u>Section 5.</u> All inquiries regarding payment of the delinquent Special Assessments shall be forwarded to Stradling Yocca Carlson & Rauth c/o Allison E. Burns, Esq., 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660.
 - <u>Section 6.</u> This resolution shall take effect immediately upon its adoption.
- **PASSED AND ADOPTED** by the California Statewide Communities Development Authority on September 23, 2014.

* * * * *

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 23, 2014.

By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

Parcel	Owner's Name	District	Tax Year	Installments
380010001000	LONETREE INVESTMENTS LLC	AD 06-01 (Placer)	2013/14	1st & 2nd
380010002000	LONETREE INVESTMENTS LLC	AD 06-01 (Placer)	2013/14	2nd
380010006000	LONETREE INVESTMENTS LLC	AD 06-01 (Placer)	2013/14	1st & 2nd

RESOLUTION NO. 14_-

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ORDERING
JUDICIAL FORECLOSURE OF DELINQUENT ASSESSMENT
INSTALLMENTS LEVIED WITHIN ASSESSMENT DISTRICT NO. 06-01
(SAN MATEO) PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT
OF 1913 AND ORDERING THAT THE TAX COLLECTOR BE CREDITED
WITH THOSE INSTALLMENTS

WHEREAS, Assessment District No. 06-01 (San Mateo) (the "Assessment District") of the California Statewide Communities Development Authority ("CSCDA") has levied special assessments for the payment of bonds ("Special Assessments") pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Municipal Act") and incurred bonded indebtedness pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Act"); and

WHEREAS, pursuant to the provisions of the Municipal Act and Bond Act, the County Tax Collector has duly and regularly levied and recorded the Special Assessments, which Special Assessments, and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

WHEREAS, certain Special Assessments have not been paid when due, and certain Special Assessments may not be paid in the future; and

WHEREAS, pursuant to provisions of the Bond Act, this Commission of the California Statewide Communities Development Authority, acting in its capacity as the legislative body of the Assessment District ("Commission"), is authorized, not later than four (4) years subsequent to the last maturity of the principal of bonds secured by the assessment, to order the delinquent Special Assessments to be collected by an action brought in the superior court to foreclose the lien of those Special Assessments; and

WHEREAS, pursuant to the provisions of the Bond Act, CSCDA covenanted for the benefit of bondholders to commence and diligently prosecute any foreclosure action regarding delinquent installments of any assessments which secure the bonds that were issued by the Assessment District; and

WHEREAS, the Commission has determined that public convenience and necessity require prompt action to initiate foreclosure proceedings; and

WHEREAS, pursuant to the provisions of the Bond Act, when an action is ordered to foreclose on a lien of delinquent Special Assessments, the County Tax Collector shall be credited upon the current assessment roll with the amount charged against the delinquent account, including applicable penalties, interest and costs, and to be relieved of further duty in regard thereto; and

WHEREAS, the Commission previously retained Stradling, Yocca, Carlson & Rauth, a Professional Corporation ("Special Counsel"), to prosecute such judicial foreclosure actions;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY THAT:

- Section 1. The Commission hereby finds and determines that the foregoing recitals are true and correct.
- Section 2. All delinquent Special Assessments on parcels listed in Exhibit A attached hereto and incorporated herein, and all future Special Assessments on said parcels which are not paid when due, along with all delinquent penalties, interest and fees, shall be collected by action brought in the Superior Court of San Mateo County to foreclose the liens thereof pursuant to the California Streets and Highways Code.
- <u>Section 3.</u> All costs and attorneys' fees incurred in the collection of the delinquent Special Assessments shall be sought in the foreclosure action pursuant to the California Streets and Highways Code. Special Counsel is authorized to require the payment of costs and attorneys' fees as a condition of any pre-judgment or post-judgment redemption.
- <u>Section 4.</u> Special Counsel in conjunction with CSCDA personnel and consultants are authorized and directed as applicable, pursuant to Streets and Highways Code Section 8833(a):
- a) To record notices of intent to remove the delinquent special assessment installments from the tax rolls; and
- b) To request that the applicable County officials remove current and future delinquent assessment installments from the tax rolls.
- <u>Section 5.</u> All inquiries regarding payment of the delinquent Special Assessments shall be forwarded to Stradling Yocca Carlson & Rauth c/o Allison E. Burns, Esq., 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660.
 - <u>Section 6.</u> This resolution shall take effect immediately upon its adoption.
- **PASSED AND ADOPTED** by the California Statewide Communities Development Authority on September 23, 2014.

* * * * *

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 23, 2014.

By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

Parcel	Owner's Name	District	Tax Year	Installments
114450030	EAST PALO ALTO CITY	AD 06-01 (San Mateo)	2012/13	2nd
114460090	SESSIONS KENTON C	AD 06-01 (San Mateo)	2012/13	1st & 2nd
114460300	BILLMAN GEORGE	AD 06-01 (San Mateo)	2013/14	1st & 2nd

Item V

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

a. Indio Family Housing Apartments, L.P. (Indio Desert Palms Apartments), City of Indio, County of Riverside; up to \$16 million in multifamily housing revenue notes. (Staff: Caitlin Lanctot)

EXECUTIVE DIRECTOR APPROVAL

DATE: SEPTEMBER 11, 2014

APPLICANT: INDIO FAMILY HOUSING PARTNERS, L.P./AFFIRMED HOUSING GROUP

AMOUNT: UP TO \$16,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF INDIO DESERT PALMS

APARTMENTS LOCATED AT 46575 CLINTON STREET IN INDIO, CA

CSCDA PROGRAM: HOUSING

Executive Director Recommendation:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, described in the attachments, and based on project conformance to CSCDA Issuance Policies, the CSCDA Executive Director recommends approval of the issuance of Bonds for the Indio Desert Palms Apartments.

The Resolution under consideration and submitted to the Commission:

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

Attachments:

- 1. Information Report
- 2. Original application
- 3. City of Indio TEFRA Resolution
- 4. CDLAC Resolution Exhibit A

INFORMATION REPORT

DATE: SEPTEMBER 23, 2014

APPLICANT: INDIO FAMILY HOUSING PARTNERS, L.P./AFFIRMED HOUSING GROUP

AMOUNT: UP TO \$16,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE

BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF INDIO DESERT

PALMS APARTMENTS LOCATED AT 46575 CLINTON STREET IN INDIO, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Indio Desert Palms (the "Project"), is a 144 unit multifamily property located in Indio, California. The Project's application was filed on March 6, 2014 and induced on March 20, 2014.

Summary:

Indio Family Housing Partners, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$16,000,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 8 two-bedroom, 80 three-bedroom and 56 four-bedroom units to low-income families in Indio.

The Property was constructed on 9.5 acres in 1995 and is comprised of 10 two-story garden-style residential buildings, 4 one-story garden style residential buildings, a leasing office, 3 laundry rooms and 1 maintenance building. Additional amenities include a barbeque area, open space, two playground areas and a swimming pool. Unit amenities include central heating and air conditioning, carpeting, sheet vinyl, a balcony/patio, garbage disposal and cable/satellite/internet connections.

The rehabilitation will focus on energy and water efficiency improvements including the installation of a large solar PV array system on roofs, updated landscaping to incorporate desert plants, replacement of exterior windows and sliding glass doors to conserve energy and replacement of plumbing fixtures with low flow systems and Energy Star products. The interior of units will also receive new flooring, cabinets and countertops, light fixtures, and water heaters.

Rehabilitation is expected to begin in October 2014 and take approximately 7 months to complete.

The Borrower has previously rehabilitated 26 multifamily and senior housing properties throughout California. This is their fourth financing with CSCDA.

Public Benefit:

- Project Affordability
 - o 100% of the Project's units will be income restricted:

- 29 units reserved for tenants whose income is at or below 50% AMI
- 113 units reserved for tenants whose income is at or below 60% AMI
- 2 managers units
- O The term of the income and rental restrictions for the Project will be at least 55 years

• Site Amenities

- o The Project is located within a Public Transit Corridor
- o The Project is located within ½ mile of a park
- o The Project is located within ½ mile of a grocery store
- o The Project is located within ½ mile of a public school

• Economic Benefits

O Based upon \$19,400,750.00 Project costs using a 1.8 multiplier the Project produces approximately \$34,921,350 total economic activity, and at 2.1 jobs per unit produces approximately 302 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: April 16, 2014, City of Indio, unanimous approval

CDLAC Approval: May 21, 2014 and September 17th

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$16,000,000	82.47%
Low Income Housing Tax Credit	\$1,606,595	8.28%
Equity	\$1,000,373	0.2070
Developer Equity	\$655,726	3.38%
Operating Cash Flow	\$1,138,429	<u>5.87%</u>
Total Sources	\$19,400,750	100.00%

Uses:

Acquisition Cost	\$9,919,000	51.13%
Hard Construction Costs	\$4,146,000	21.37%
Architect & Engineering Fees	\$279,750	1.44%
Contractor Overhead & Profit	\$370,500	1.91%
Developer Fee	\$2,237,400	11.53%
Relocation	\$171,000	0.88%
Capitalized Interest	\$500,000	2.58%
Cost of Issuance	\$200,000	1.03%
Other Soft Costs (Marketing, Etc.)	\$1,577,1 00	<u>8.13%</u>
Total Uses	\$19,400,750	100.00%

Finance Team:

Bond Counsel: Quint & Thimmig, LLP, Larkspur

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

Lender: Bank of the West

Financing Structure:

The construction bonds will have a term of 12 months and will carry a variable interest rate of approximately 1.66%. The Bonds will then convert to the permanent phase for 35 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.15%. The bonds will be privately placed with Bank of the West.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Applicant Information

Primary Contact E-mail: james@affirmedhousing.com

Name of Developer: Affirmed Housing Group TIN or EIN: 26-0812994 **Primary Contact** First Name: Jimmy Last Name: Silverwood Title: Assistant Project Manager Address: Street: 13520 Evening Creek Drive North Suite: 160 State: California City: San Diego Zip: 92128 Phone: **858-386-5178** Ext: Fax: 858-679-9076 Email: james@affirmedhousing.com **Borrower Description:** Same as developer? Name of Borrowing Entity: Indio Family Housing Partners, L.P. Type of Entity: For-profit Corporation Non-profit Corporation Partnership Other (specify) Will you be applying for State Volume Cap? Date Organized: 08.09.2007 No. of Multi-Family Housing Projects Completed in the Last 10 Years: 19 No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: 19 **Primary Billing Contact** Organization: Affirmed Housing Group, Inc. First Name: Helen Last Name: Crisafi

Title: Controller

Address

Street: 13520 Evening Creek Drive North Suite: 160

City: San Diego State: California Zip: 92128

Phone: **858-386-5173** Ext: Fax: **858-679-9076**

Email: hcrisafi@affirmedhousing.com

Project Information

Project Information

Project Name: Indio Desert Palms New Project Name(optional): TBD..

Facility Information

Facility #1

Facility Name: Indio Desert Palms
Facility Bond Amount: \$16,000,000.00

Project Address:

Street: 46575 Clintion Street

City: Indio State: California Zip: 92201

County: Riverside County

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

N

Total Number of Units:

Market: 2 Restricted: 142

Total: 144

Lot size: 9.5 acres

Amenities:

2 tot lots, barbecue areas, pool area, 1 swing area, community room (currently being utilized as one of the units),

laundry buildings (3 in total).

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

Wood frame, pitched concrete tile roofs, 2 story walk-up garden style, surface parking, 14 residential buildings.

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Is this an Assisted Living Facility?

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

Name of Agency: City of Indio

First Name: Jesus Last Name: Gomez

Title: Housing Programs Manager

Phone: (760) 541-4260 Ext: Fax:

Email: jgomez@indio.org **Public Benefit Info:**

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	3	683.00	862.00	
2.	2 Bedrooms	60	4	820.00	862.00	
3.	3 Bedrooms	50	15	789.00	1,151.00	
4.	3 Bedrooms	60	64	947.00	1,151.00	
5.	4 Bedrooms	50	11	881.00	1,281.00	

6.						
	4 Bedrooms	60	15	1.057.00	1.281.00	
	T DCGIOOIIIS	00	TU	1,037.00	1,201.00	

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
36	40	56

Financing Information

Will the project use Tax-Credit as a souce of funding? $\ensuremath{ \bigodot } Y$ $\ensuremath{ \bigcirc } N$

Financing Information

Maturity 35 Years

Interest Rate Mode:						
☑ Fixed		Variable				
Type of Offering:						
☐ Public Offering		✓ Private Placement	t			
New Construction		Acquisition of Exis	sting Facility			
Refunding						
(Refunding only)Will you be applying for Sta	te Volume Cap? 🔘 Yes	s O No				
Is this a transfer of property to a new owner?	? O Yes O No					
Construction Financing:						
☐ Credit Enhancement		None				
Letter of Credit		Other (specify)				
Name of Credit Enhancement Provider or Pr	ivate Placement Purch	aser: Bank of the Wes	et			
Permanent Financing:						
Credit Enhancement		None				
Letter of Credit		Other (specify)				
Name of Credit Enhancement Provider or Pr	ivate Placement Purch	aser: Bank of the Wes	et			
Expected Rating:						
✓ Unrated						
Moody's:	S&P:		Fitch:			
Projected State Allocation Pool:	Projected State Allocation Pool:					
General						

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	\$16,000,000.00
Taxable Bond Proceeds:	\$
Tax Credits:	\$1,606,595.00
Developer Equity:	\$
Other Funds (Describe):	
Solar Credits	\$398,520.00
Net Operating Income Year 1	\$742,868.00
Deferred Developer Fee	\$652,767.00
	\$
	\$
Total Sources:	\$19,400,750.00
Uses:	
Land Acquisition:	\$
Building Acquisition:	\$9,919,000.00
Construction or Remodel:	\$4,146,000.00
Cost of Issuance:	\$200,000.00
Capitalized Interest:	\$500,000.00
Reserves:	\$
Other Uses (Describe):	
Soft Costs	\$1,733,850.00
Architect & Engineering Fees	\$279,750.00
Contractor Overhead & Profit	\$384,750.00
Developer Fee	\$2,237,400.00
	\$
Total Uses:	\$19,400,750.00

Financing Team Information

Phone:

Email:

Bond Counsel		
Firm Name: Quint & Thimmig LLP		
Primary Contact		
First Name: Paul Title: Attorney Address:	Last Name: Thimmig	
Street: 575 Market Street		Suite: 3600
City: San Francisco	State: California	Zip: 94105-2874
Phone: 415-765-1550	Ext:	Fax: 415-765-1555
Email: PThimmig@qtllp.com		
Bank/Underwriter/Bond Purchaser		
Firm Name:Bank of the West		
Primary Contact		
First Name: Nick	Last Name: Griffin	
Title: Lender		
Address:		
Street: 2527 Camino Ramon		Suite: 3D-D
City: San Ramon	State: California	Zip: 94583
Phone: (925) 843-4671	Ext:	Fax: (323) 837-356 4
Email: Nick.Griffin@BAnkoftheWest.com		
Financial Advisor		
Firm Name:		
Primary Contact		
First Name:	Last Name:	
Title:		
Address:		
Street:		Suite:
City:	State:	Zip:
Phone:	Ext:	Fax:
Email:		
Rebate Analyst		
Firm Name:		
Primary Contact		
First Name:	Last Name:	
Title:		
Address:		
Street:	_	Suite:
City:	State:	Zip:

Ext:

Fax:

RESOLUTION NO. 9695

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIO, CALIFORNIA, APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA) OF MULTIFAMILY HOUSING REVENUE BONDS FOR INDIO DESERT PALMS APARTMENTS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Indio, California (the "City"), to issue revenue bonds in accordance with the provisions of Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Affirmed Housing Group, on behalf of Indio Family Housing Partners, LP, a California limited partnership, or another entity to be formed by NEXUS For Affordable Housing, Inc. and AHG Indio, LLC (the "Borrower"), has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series in the maximum principal amount of \$15,000,000 to finance the acquisition and rehabilitation of a 144-unit multifamily rental housing project located at 46575 Clinton Street in the City, generally known as Indio Desert Palms Apartments (the "Project") and to be operated by Solari Enterprises; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of a governmental unit having jurisdiction over the area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this "City Council") are the applicable elected representatives of the City and the Project is located in the City; and

WHEREAS, there has been duly published in a newspaper of general circulation within the City, at least 14 days prior to the date hereof, a notice that a public hearing regarding the Bonds would be held on the date specified in such notice; and

WHEREAS, such public hearing was conducted on April 16, 2014, at which time an opportunity was provided to interested parties to a reasonable opportunity for interested persons to express their views on the issuance of the Bonds and on the nature and location of the Project proposed to be financed; and

WHEREAS, it is intended that this Resolution constitute the approval of the issuance of the Bonds required by section 147(f) of the Code and Section 9 of the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDIO AS FOLLOWS:

- <u>Section 1</u>. The above recitals are true and correct.
- Section 2. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of (a) section 147(f) of the Code and (b) Section 9 of the Agreement.
- Section 3. The payment of the principal, prepayment premium, if any, and interest on the Bonds shall be solely the responsibility of the Borrower. The Bonds shall not constitute a debt or obligation of the City.
- Section 4. The adoption of this Resolution is solely for the purposes of (a) section 147(f) of the Code and (b) Section 9 of the Agreement, and shall not be construed in any other manner. The City has undertaken no responsibility or obligation for any costs relating to the issuance of the Bonds or any other costs relating to the Project by virtue of this Resolution. Neither the City nor its staff have fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regards to any State of California statutory requirements. The adoption of this Resolution shall not obligate: (a) the City to provide financing to the Borrower for the Project or cause the Bonds to be issued for purposes of such financing; or (b) the City (including any department of the City) to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the Project.
- Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution.
- Section 6. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the notice of public hearing to:

Paul J. Thimmig Quint & Thimmig LLP 900 Larkspur Landing Circle, Suite 270 Larkspur, California 94939 <u>Section 7.</u> This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 16th day of April, 2014, by the following vote:

AYES: Holmes, Miller, Torres, Ramos Watson, Wilson

NOES: None

MICHAEL H. WILSON, MAYOR

ATTEST:

CYNTHIA HERNANDEZ, CMC

CITY CLERK

CERTIFICATION

l, Cynthia Hernandez, City Clerk, of the City of Indio, California, do hereby certify the foregoing to be a full, true and correct copy of Resolution No. 9695 duly adopted by the City Council of the City of Indio, California, at a regular meeting held April 16, 2014.

CYNTHIA HERNANDEZ, CMĆ

CITY CLERK

RESOLUTION NO. 14-107 (QUALIFIED RESIDENTIAL RENTAL PROJECT) EXHIBIT A

1. Applicant:

California Statewide Communities Development Authority

2. Application No.:

14-115

3. Project Sponsor:

Indio Family Housing Parnters, LP (NEXUS Affordable Housing, Inc., and AHG Indio, LLC)

4. Project Management Co.:

Solari Enterprices, Inc.

5. Project Name:

Indio Desert Palms Apartments (sup)

6. Type of Project:

Acquisition and Rehabilitation/Family

7. Location:

Indio, CA

8. Private Placement Purchaser:

Bank of the West

9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.

Applicable

10. Total Number of Units:

142 plus 2 manager units

11. Total Number of Restricted Rental Units:

142

- 12. The term of the income and rental restrictions for the Project will be at least 55 years.
- 13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.

 Applicable
- 14. Income and Rental Restrictions:

For the entire term of the income and rental restrictions, the Project will have:

At least 29 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 113 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.

15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.

Applicable

16. A minimum of \$0,000 of public funds will be expended for the Project.

Not Applicable

- 17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

 Not Applicable
- 18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 135 three-bedroom or larger units.
 Applicable
- For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
 Not Applicable
- 20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
 Applicable
- 21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.

 Applicable
- 22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project. Not Applicable
- 23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

 Not Applicable
- 24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
 Not Applicable
- 25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

 Not Applicable
- 26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

 Not Applicable

27.	Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected: Applicable
	Section Waived:
	Energy Efficiency CALGreen Compliance Landscaping Roofs Exterior Doors Appliances Window Coverings Water Heater Floor Coverings Paint Insulation
28.	The project commits to becoming certified under any one of the following programs upon completion:
	 a. Leadership in Energy & Environmental Design (LEED) b. Green Communities c. GreenPoint Rated Multifamily Guidelines Not Applicable Not Applicable
29.	The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by: a. 17.5% Not Applicable b. 20% Not Applicable c. 25% Not Applicable
30.	The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse: a. LEED for Homes (Silver) Not Applicable b. LEED for Homes (Gold) Not Applicable c. Green Point Rated (100) Not Applicable d. Green Point Rated (125) Not Applicable
31.	The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by: a. 15% Applicable b. 20% Not Applicable c. 25% Not Applicable d. 30% Not Applicable
32.	The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
	 a. Photovoltaic generation that offsets tenants loads b. Photovoltaic generation that offsets 50% of common area load c. Solar hot water for all tenants who have individual water meters Applicable Not Applicable Not Applicable

RESOLUTION NO. 14-107 Exhibit A Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required:

Not Applicable

34. The project will sub-meter centralized hot water systems for all tenants: Not Applicable

RESOLUTION NO. 14H-

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF TWO MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS INDIO DESERT PALMS 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 "Authority") is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (as the same has been amended from time to time, the "Agreement"), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "Housing Law");

WHEREAS, Indio Family Housing Partners, L.P., a California limited partnership (the "Borrower"), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Indio Desert Palms Apartments), Series 2014N-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Indio Desert Palms Apartments), Series 2014N-2 (collectively, the "Notes") to assist in the financing of the rehabilitation and development of a 144-unit multifamily housing rental development located in the City of Indio, California (the "City"), and known as Indio Desert Palms Apartments (the "Project");

WHEREAS, on April 16, 2014, the City Council of the City held a public hearing on the proposed issuance of Notes by the Authority for, and the financing, ownership and operation of, the Project, as required under the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to tax-exempt obligations, following published notice of such hearing, and on April 16, 2014, the City Council of the City adopted Resolution No. 9695 approving the issuance of the Notes by the Authority to finance the Project in satisfaction of public approval the requirements of the Code;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority;

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") adopted its Resolution No. 14-52 on May 21, 2014 allocating \$11,000,000 of the State of

California ceiling on private activity bonds for 2011 to the Authority for the purpose of financing the Project, and the Authority has applied to CDLAC for a supplemental allocation of the State of California ceiling on private activity bonds of \$5,000,000 (the "Supplemental Allocation") for the purpose of providing additional financing for the Project;

WHEREAS, the Authority is willing to execute and deliver the Notes, in an aggregate principal amount not to exceed \$16,000,000, provided that the Authority has received the Supplemental Allocation from CDLAC prior to the issuance of the Notes, and the Authority is willing to loan the proceeds of the Notes 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 Bank of the West (the "Funding Lender"), as the initial owner 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 substantially final form and appropriate instruments to be executed and delivered for the purposes intended:

- (1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into by the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into by the Authority and Borrower; and
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into by the Authority and the Borrower; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Notes as contemplated by this Resolution and the documents referred to herein 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 Housing Law.

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.

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. The Notes shall be designated "California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Indio Desert Palms Apartments), Series 2014N-1" and "California Statewide Communities Development Authority

Multifamily Housing Revenue Construction Note (Indio Desert Palms Apartments), Series 2014N-2."

Contingent upon receipt by the Authority of the Supplemental Allocation, the Notes shall be in an aggregate principal amount not to exceed \$16,000,000; and, in the event that the Supplemental Allocation is not received by the Authority prior to the date for the issuance of the Notes, the principal amount of the Notes shall not exceed \$11,000,000. The Notes shall be in the respective principal amounts and 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 (as defined below). The Notes shall be secured in accordance with the terms of the Funding Loan Agreement. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged therefore under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority (except to the limited extent set forth in the Funding Loan Agreement), 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. 14R-4 of the Authority, adopted on February 6, 2014) (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 in such form, together with such changes and insertions therein as the Authorized Signatory executing the Funding Loan Agreement determines to be necessary or desirable 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 execution and delivery by such Authorized Signatory of the Funding Loan Agreement. The principal amounts, dates, maturity date or dates (which shall not extend beyond September 1, 2054), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement, in the form presented at this meeting, is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement in such form, together with such changes and insertions therein as the Authorized Signatory executing the Borrower Loan Agreement determines to be necessary or desirable 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 execution and delivery by such Authorized Signatory of the Borrower Loan Agreement.

<u>Section 5</u>. 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 in such form, together with such changes and insertions therein as the Authorized Signatory executing the Regulatory Agreement determines

to be necessary or desirable 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 execution and delivery by such Authorized Signatory of the Regulatory Agreement.

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

Section 7. The law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel to the Authority for the Notes. The fees and expenses of such firm for matters related to the Notes shall be payable solely from the proceeds of the Notes or contributions by the Borrower.

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 or certificate as to arbitrage, loan related documents, an assignment of the Notes and of a deed of trust, and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and any resolutions heretofore adopted by the Authority with respect to, 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.

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

□**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this September 23, 2014.

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
Com	missio	on of the	Auth	nority	y held in acco	rda	nce v	with law on	Sept	ember	23, 201	4.		

By		
-	Authorized Signatory	

03008.41:J12772 9/17/14

Item V

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

b. Canyon View Preservation, LP (Canyon View Apartments), City of Colfax, County of Placer; up to \$9 million in multifamily housing revenue notes. (Staff: Scott Carper)

EXECUTIVE DIRECTOR APPROVAL

DATE: SEPTEMBER 23, 2014

APPLICANT: CANYON VIEW PRESERVATION, L.P./PRESERVATION PARTNERS DEVLOPMENT **AMOUNT:** UP TO \$9,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF CANYON VIEW

APARTMENTS LOCATED AT 205 CANYON COURT IN COLFAX, CA

CSCDA PROGRAM: HOUSING

Executive Director Recommendation:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, described in the attachments, and based on project conformance to CSCDA Issuance Policies, the CSCDA Executive Director recommends approval of the issuance of Bonds for the Canyon View Apartments.

The Resolution under consideration and submitted to the Commission:

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

Attachments:

- 1. Information Report
- 2. Original application
- 3. County of Placer TEFRA Resolution
- 4. CDLAC Resolution Exhibit A

INFORMATION REPORT

DATE: SEPTEMBER 23, 2014

APPLICANT: CANYON VIEW PRESERVATION, L.P./PRESERVATION PARTNERS

DEVLOPMENT

AMOUNT: UP TO \$9,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE

BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF CANYON VIEW

APARTMENTS LOCATED AT 205 CANYON COURT IN COLFAX, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Canyon View Apartments (the "Project"), is a 67 unit multifamily property located in Colfax, California. The Project's application was filed on November 22, 2013 and induced on December 5, 2013.

Summary:

Canyon View Preservation, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$9,000,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 60 one-bedroom and 7 two-bedroom units to low-income seniors in Colfax.

The Property was constructed on 6.5 acres in 1978 and is comprised of 8 one-story residential buildings, a recreation room, a laundry room and a community garden. The rehabilitation will include replacing flooring in kitchen and bathrooms, new wood cabinets, new countertops with updated sinks and plumbing, new paint, updated light fixtures, new toilets, and replacement of windows and blinds. Asphalt shingles will be replaced to improve energy efficiency and the parking lot will be repaired, sealed and stripped.

Rehabilitation is expected to begin in October 2014 and take approximately 5 months to complete.

The Borrower has previously rehabilitated 25 multifamily and senior housing properties throughout California. This is their third financing with CSCDA.

Public Benefit:

- Project Affordability
 - o 100% of the Project's units will be income restricted:
 - 7 units reserved for tenants whose income is at or below 50% AMI
 - 59 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - o The term of the income and rental restrictions for the Project will be at least 55 years

• Site Amenities

- o The Project is located within ½ mile of a medical clinic
- o The Project is located within ½ mile of a grocery store
- o The Project is located within ½ mile of a public library

• Economic Benefits

O Based upon \$9,491,432.00 Project costs using a 1.8 multiplier the Project produces approximately \$17,084,577.60 total economic activity, and at 2.1 jobs per unit produces approximately 141 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: January 7, 2014, County of Placer, unanimous approval

CDLAC Approval: May 21, 2014

Estimated Sources and Uses:

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Tax Exempt Bond Proceeds	\$7,000,000	73.75%
LIHTC Equity	\$1,159,833	12.22%
NOI	\$239,652	2.52%
Developer Equity	<u>\$1,091,947</u>	<u>11.50%</u>
Total Sources	\$9,491,432	100.00%
Acquisition Cost	\$4,900,000	51.63%
Hard Construction Costs	\$2,300,674	24.24%
Architect & Engineering Fees	\$20,000	0.21%
Contractor Overhead & Profit	\$152,397	1.61%
Developer Fee	\$1,091,947	11.50%
Relocation	\$88,750	0.94%
Cost of Issuance	\$20,000	0.21%
Capitalized Interest	\$255,325	2.69%
Other Soft Costs (Marketing, Etc.)	\$662,339	6.98%
Total Uses	\$9,491,432	100.00%
	LIHTC Equity NOI Developer Equity Total Sources Acquisition Cost Hard Construction Costs Architect & Engineering Fees Contractor Overhead & Profit Developer Fee Relocation Cost of Issuance Capitalized Interest Other Soft Costs (Marketing, Etc.)	LIHTC Equity \$1,159,833 NOI \$239,652 Developer Equity \$1,091,947 Total Sources \$9,491,432 Acquisition Cost \$4,900,000 Hard Construction Costs \$2,300,674 Architect & Engineering Fees \$20,000 Contractor Overhead & Profit \$152,397 Developer Fee \$1,091,947 Relocation \$88,750 Cost of Issuance \$20,000 Capitalized Interest \$255,325 Other Soft Costs (Marketing, Etc.) \$662,339

Finance Team:

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

Financing Structure:

The construction bonds will have a term of 24 months and will carry a variable interest rate. The Bonds will then convert to the permanent phase for 35 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.55%. The bonds will be privately placed with Citibank.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Name of Developer: Preservation Partners Development III LLC TIN or EIN: 51 0456835 **Primary Contact** First Name: Chuck Last Name: Treatch Title: Development Partner Address: Street: 21515 Hawthorne Blvd. Suite: 125 State: California City: Torrance Zip: 90503 Phone: 3108026681 Ext: Fax: 3108026680 Email: chuck@preservationpartners.org **Borrower Description:** Same as developer? Name of Borrowing Entity: Preservation Partners Managment Group, Inc. Type of Entity: For-profit Corporation Non-profit Corporation Partnership Other (specify) Will you be applying for State Volume Cap? Date Organized: 3/17/09 No. of Multi-Family Housing Projects Completed in the Last 10 Years: 29 No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: 29 **Primary Billing Contact** Organization: Preservation Partners Development III LLC Last Name: Treatch First Name: Chuck Title: Development Partner

Address

Street: 21515 Hawthorne Blvd. Suite: 125 State: California City: Torrance Zip: 90503

Phone: 3108026681 Ext: Fax: 3108026680

Email: chuck@preservationpartners.org

Project Information

Project Information

Project Name: Canyon View Senior Apartments

New Project Name(optional):

Facility Information

Facility #1

Facility Name: Canuyon View Senior Apartments

Facility Bond Amount: \$5,250,000.00

Project Address:

Street: 205 Canyon Court

City: Colfax State: California Zip: 95713

County: Placer

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

N

Total Number of Units:

Market: Restricted: 67

Total: 67

Lot size: 6.5 acres

Amenities:

Community Room, Laundry Facility, Outside Sitting Areas

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

Wood Frame, single story, p buildings

Type of Housing:	Type	of	Ηοι	ısing:
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New Construction	Acquisition/Rehab

Facility Use:

•	
O Family	Senior

Is this an Assisted Living Facility?

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

Name of Agency:

First Name: Last Name:

Title:

Phone: Ext: Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	6	678.00	858.00	180.00
2.	1 Bedroom	60	54	814.00	858.00	44.00
3.	2 Bedrooms	50	1	813.00	1,073.00	260.00
4.	2 Bedrooms	60	6	976.00	1,073.00	97.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
1	1	1

Financing Information

Financing Information

Maturity 15 Years

Interest Rate Mode:			
☑ Fixed		Variable	
Type of Offering:			
☐ Public Offering	E	✓ Private Placement	
New Construction	Ι	Acquisition of Existing Facility	
Refunding			
(Refunding only)Will you be applying for State Volume Cap? O Yes O No			
Is this a transfer of property to a new owner?	? O Yes O No		
Construction Financing:			
Credit Enhancement		None	
Letter of Credit		✓ Other (specify) :Private Placement	
Name of Credit Enhancement Provider or Pr	ivate Placement Purchas	ser: Rabo Bank	
Permanent Financing:			
Credit Enhancement		None	
Letter of Credit		✓ Other (specify) :Private Placement	
Name of Credit Enhancement Provider or Private Placement Purchaser: Rabo Bank			
Expected Rating:			
Unrated			
Moody's:	S&P:		Fitch:
aa	aa		aa
Projected State Allocation Pool:			
O General O Mixed Income Rural			
Will the project use Tax-Credit as a souce of	Will the project use Tax-Credit as a souce of funding? ON		

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	\$5,250,000.00
Taxable Bond Proceeds:	\$
Tax Credits:	\$3,438,910.00
Developer Equity:	\$818,935.00
Other Funds (Describe):	
Net Operating Income	\$244,075.00
	<u> </u>
	<u> </u>
Total Sources:	\$9,751,920.00
Uses:	
Land Acquisition:	\$
Building Acquisition:	\$5,000,000.00
Construction or Remodel:	\$2,453,071.00
Cost of Issuance:	\$345,000.00
Capitalized Interest:	\$176,800.00
Reserves:	\$217,600.00
Other Uses (Describe):	
Developer Fee	\$1,108,722.00
Development Soft Cost	\$450,727.00
	<u> </u>
	<u></u>
	<u> </u>
Total Uses:	\$9,751,920.00

Financing Team Information

Street:

Phone:

Email:

City:

Bond Counsel Firm Name: Orrick, Herrington **Primary Contact** First Name: Justin Last Name: Cooper Title: Partner Address: Street: 405 Howard Street Suite: State: California Zip: **94105** City: San Francisco Phone: 4157735700 Ext: Fax: 4157735759 Email: jcooper@orrick.com Bank/Underwriter/Bond Purchaser Firm Name: Rabo Bankj **Primary Contact** First Name: Lauren Last Name: Stephens Title: Relationship Manager Address: Street: 618 W Main Street Suite: State: California City: Visalia Zip: **93291** Phone: 5597352270 Ext: Fax: 5597352244 Email: lauren.stephens@rabobank.com Financial Advisor Firm Name: **Primary Contact** First Name: Last Name: Title: Address: Street: Suite: City: State: Zip: Phone: Ext: Fax: Email: Rebate Analyst Firm Name: **Primary Contact** First Name: Last Name: Title: Address:

State:

Ext:

Suite:

Zip:

Fax:

ED.

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No. 14-_011

A RESOLUTION OF THE BOARD
OF SUPERVISORS OF THE COUNTY
OF PLACER APPROVING THE
ISSUANCE BY THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY OF MULTIFAMILY HOUSING
REVENUE BONDS FOR AUBURN VILLA,
LYN-ROC SENIOR COMMUNITY AND
CANYON VIEW SENIOR APARTMENTS

THE FORECOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE ATTEST

ANN HOLMAN

Clark of the Board of Supervisors, County

of Picca, State of Cartovilla

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The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **Tuesday**, **January 7**, **2014** by the following vote on roll call:

Ayes:

WEYGANDT, HOLMES, UHLER, MONTGOMERY, DURAN

Noes:

NONE

Absent:

NONE

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the County of Placer (the "County"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Preservation Partners Management Group, Inc. or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, to finance the acquisition and rehabilitation of the following senior multifamily rental housing projects located within the County:

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(a) 50-unit Auburn Villa, 600 Mikkelsen Drive, Auburn, California, at no time to exceed \$6,500,000 in outstanding aggregate principal amount;

(b) 67-unit Lyn-Roc Senior Community, 6105 Sunset Blvd., Rocklin, California, at no time to exceed \$9,500,000 in outstanding aggregate principal amount; and

(c) 67-unit Canyon View Senior Apartments, 205 Canyon Court, Colfax, California, at no time to exceed \$7,500,000 in outstanding aggregate principal amount.

The projects are respectively known as Auburn Villa, Lyn-Roc Senior Community and Canyon View Senior Apartments (the "Projects") and operated by Preservation Partners Management Group Inc.; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this Board of Supervisors (this "Board of Supervisors") are the applicable elected representatives of the County; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the County, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the Board of Supervisors approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Projects (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the Board of Supervisors; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER AS FOLLOWS:

Section 1. The above recitals are true and correct.

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Section 2. The Board of Supervisors hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the Board of Supervisors that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. The Clerk of the Board of Supervisors shall forward a certified copy of this Resolution to:

Justin Cooper, Esq. Orrick, Herrington & Sutcliffe LLP 405 Howard Street San Francisco, California 94105

Section 5. This resolution shall take effect immediately upon its passage.

RESOLUTION NO. 14-39 (<u>OUALIFIED RESIDENTIAL RENTAL PROJECT</u>) EXHIBIT A

1. Applicant:

California Statewide Communities Development Authority

2. Application No.:

14-046

3. Project Sponsor:

Canyon View Preservation Limited Partnership (Canyon View Preservation Cornucopia LLC

and Canyon View Preservation Partners LLC)

4. Project Management Co.:

Preservation Partners Management Group, Inc.

5. Project Name:

Canyon View Apartments

6. Type of Project:

Acquisition and Rehabilitation/Senior Citizens/Federally Assisted At-Risk

7. Location:

Colfax, CA

8. Private Placement Purchaser:

Citibank, N.A.

9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.

Applicable

10. Total Number of Units:

66 plus 1 manager unit

11. Total Number of Restricted Rental Units:

66

- 12. The term of the income and rental restrictions for the Project will be at least 55 years.
- 13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.

 Applicable
- 14. Income and Rental Restrictions:

For the entire term of the income and rental restrictions, the Project will have:

At least 7 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 59 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.

15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.

Applicable

16. A minimum of \$0,000 of public funds will be expended for the Project.

Not Applicable

- 17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

 Not Applicable
- 18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.
 Not Applicable
- For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
 Not Applicable
- 20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.

 Not Applicable
- 21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.

 Not Applicable
- 22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project. Not Applicable
- 23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

 Not Applicable
- 24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
 Not Applicable
- 25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

 Applicable
- 26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

 Not Applicable

27.	Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected: Applicable
	Section Waived:
	· · · · · · · · · · · · · · · · · · ·
• ;	Energy Efficiency CALGreen Compliance Landscaping Roofs
	Exterior Doors
	Appliances Window Coverings
	Water Heater Floor Coverings Paint
	Insulation
28.	The project commits to becoming certified under any one of the following programs upon completion:
	 a. Leadership in Energy & Environmental Design (LEED) b. Green Communities c. GreenPoint Rated Multifamily Guidelines Not Applicable Not Applicable
29.	The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by: a. 17.5% Not Applicable b. 20% Not Applicable c. 25% Not Applicable
30.	The Project will exceed the minimum energy efficiency certification requirements for New Construction/Adaptive Reuse:
	 a. LEED for Homes (Silver) b. LEED for Homes (Gold) c. Green Point Rated (100) d. Green Point Rated (125) Not Applicable Not Applicable Not Applicable
31.	The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by: a. 15% Not Applicable b. 20% Not Applicable
	c. 25% Not Applicable d. 30% Not Applicable
32.	The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
	 a. Photovoltaic generation that offsets tenants loads b. Photovoltaic generation that offsets 50% of common area load c. Solar hot water for all tenants who have individual water meters Not Applicable Not Applicable Not Applicable

RESOLUTION NO. 14-39 Exhibit A Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required:

Not Applicable

34. The project will sub-meter centralized hot water systems for all tenants: Not Applicable

RESOLUTION NO. 14H-__

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 \$9,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS CANYON VIEW 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, Canyon View Preservation Limited Partnership, 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 (Canyon View Apartments) 2014 Series O (the "Note") to assist in the financing of the rehabilitation and development of a 67-unit multifamily housing rental development located in the City of Colfax, California, and known as Canyon View Apartments (the "Project");

WHEREAS, on May 21, 2014, the Authority received an allocation in the amount of \$7,000,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the County of Placer (the "<u>County</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 \$9,000,000, 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 "Funding Lender"), 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 "<u>Commission</u>") 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; and
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower;

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

<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.

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 Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Canyon View Apartments) 2014 Series O" 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 \$9,000,000; provided that the aggregate principal amount of any taxexempt Notes 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. 14R-4 of the Authority, adopted on February 6, 2014) (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, 2059), 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.

<u>Section 6.</u> 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 7. 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 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 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the 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 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 9.</u> This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 23, 2014.

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 23, 2014.

By_		
•	Authorized Signatory	

Item V

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

c. Lynroc Preservation, LP (Lyn-Roc Apartments), City of Rocklin, County of Placer; up to \$11 million in multifamily housing revenue notes. (Staff: Scott Carper

EXECUTIVE DIRECTOR APPROVAL

DATE: SEPTEMBER 23, 2014

APPLICANT: LYNROC PRESERVATION, L.P./PRESERVATION PARTNERS DEVLOPMENT

AMOUNT: UP TO \$11,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF LYN-ROC APARTMENTS

LOCATED AT 6105 SUNSET BLVD IN ROCKLIN, CA

CSCDA PROGRAM: HOUSING

Executive Director Recommendation:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, described in the attachments, and based on project conformance to CSCDA Issuance Policies, the CSCDA Executive Director recommends approval of the issuance of Bonds for the Lyn-Roc Apartments.

The Resolution under consideration and submitted to the Commission:

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

Attachments:

- 1. Information Report
- 2. Original application
- 3. County of Placer TEFRA Resolution
- 4. CDLAC Resolution Exhibit A

INFORMATION REPORT

DATE: SEPTEMBER 23, 2014

APPLICANT: LYNROC PRESERVATION, L.P./PRESERVATION PARTNERS DEVLOPMENT

AMOUNT: UP TO \$11,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE

BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF LYN-ROC

APARTMENTS LOCATED AT 6105 SUNSET BLVD IN ROCKLIN, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Lyn-Roc Apartments (the "Project"), is a 67 unit multifamily property located in Rocklin, California. The Project's application was filed on November 22, 2013 and induced on December 5, 2013.

Summary:

Lynroc Preservation, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$11,000,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 60 one-bedroom and 7 two-bedroom units to low-income seniors in Rocklin.

The Property was constructed on 6.5 acres in 1978 and is comprised of 8 one-story residential buildings, a recreation room, a laundry room and a community garden. The rehabilitation will include replacing flooring in kitchen and bathrooms, new wood cabinets, new countertops with updated sinks and plumbing, new paint, updated light fixtures, new toilets, and replacement of windows and blinds. Asphalt shingles will be replaced to improve energy efficiency and the parking lot will be repaired, sealed and stripped.

Rehabilitation is expected to begin in October 2014 and take approximately 5 months to complete.

The Borrower has previously rehabilitated 25 multifamily and senior housing properties throughout California. This is their fourth financing with CSCDA.

Public Benefit:

- Project Affordability
 - o 100% of the Project's units will be income restricted:
 - 7 units reserved for tenants whose income is at or below 50% AMI
 - 59 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - o The term of the income and rental restrictions for the Project will be at least 55 years

• Site Amenities

- o The Project is located within a Public Transit Corridor
- o The Project is located within ½ mile of a park
- o The Project is located within ½ mile of a grocery store

• Economic Benefits

O Based upon \$11,091,094.00 Project costs using a 1.8 multiplier the Project produces approximately \$19,963,969.20 total economic activity, and at 2.1 jobs per unit produces approximately 141 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

#0 000 000

04.4507

Agency Approvals:

TEFRA Hearing: January 7, 2014, County of Placer, unanimous approval

CDLAC Approval: May 21, 2014

Estimated Sources and Uses:

0						
`	0	17	14	0	es	•

	Tax Exempt Bond Proceeds	\$9,000,000	81.15%
	LIHTC Equity	\$545,061	4.91%
	NOI	\$245,311	2.21%
	Developer Equity	<u>\$1,300,722</u>	<u>11.73%</u>
	Total Sources	\$11,091,094	100.00%
Uses:			
	Acquisition Cost	\$6,300,000	56.80%
	Hard Construction Costs	\$1,881,835	16.97%
	Architect & Engineering Fees	\$20,000	0.18%
	Contractor Overhead & Profit	\$144,613	1.30%
	Developer Fee	\$1,300,721	11.73%
	Relocation	\$88,750	0.80%
	Cost of Issuance	\$890,362	8.03%
	Capitalized Interest	\$314,813	2.84%
	Other Soft Costs (Marketing, Etc.)	<u>\$150,000</u>	<u>1.35%</u>
	Total Uses	\$11,091,094	100.00%

Finance Team:

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

Financing Structure:

The construction bonds will have a term of 24 months and will carry a variable interest rate. The Bonds will then convert to the permanent phase for 35 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.55%. The bonds will be privately placed with Citibank.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Applicant Information

Primary Contact E-mail: chuck@preservationpartners.org

Name of Developer: Preservation Partners Development III LLC TIN or EIN: 51-0456835 **Primary Contact** First Name: Chuck Last Name: Treatch Title: Development Partner Address: Street: 21515 Hawthorne Blvd. Suite: 125 State: California City: Torrance Zip: 90503 Phone: 3108026681 Ext: Fax: 3108026680 Email: chuck@preservationpartrners.org **Borrower Description:** Same as developer? Name of Borrowing Entity: Preservation Partners Management Group, Inc. Type of Entity: For-profit Corporation Non-profit Corporation O Partnership Other (specify) Will you be applying for State Volume Cap? Date Organized: 3/17/09 No. of Multi-Family Housing Projects Completed in the Last 10 Years: 29 No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: 29 **Primary Billing Contact** Organization: Preservation Partners Development III LLC Last Name: Treatch First Name: Chuck Title: Development Partner

Address

Street: 21515 Hawthorne Blvd. Suite: 125
City: Torrance State: California Zip: 90503

Phone: 3108026681 Ext: Fax: 3108026680

Email: chuck@preservationpartrners.org

Project Information

Project Information

Project Name: Lyn-Roc Senior Community

New Project Name(optional):

Facility Information

Facility #1

Facility Name: Lyn-Rock Senior Community
Facility Bond Amount: \$7,310,000.00

Project Address:

Street: 6105 Sunset Blvd

City: Rocklin State: California Zip: 95677

County: Placer

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

N

Total Number of Units:

Market: Restricted: 67

Total: 67

Lot size: 5.5 Acres

Amenities:

Community Room, Laundry Facility, open space, community garden

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

Wood Frame, 1 Story, 9 buildings

Type of Housing:	
New Construction	Acquisition/Rehab
Facility Use:	
O Family	Senior
Is this an Assisted Living Facility?	

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

Name of Agency:

First Name: Last Name:

Title:

Phone: Ext: Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	6	678.00	1,028.00	350.00
2.	1 Bedroom	60	54	814.00	1,028.00	214.00
3.	2 Bedrooms	50	1	813.00	1,146.00	333.00
4.	2 Bedrooms	60	6	976.00	1,146.00	170.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
4	1	6

Financing Information

Financing Information

Maturity 15 Years

Interest Rate Mode:				
☑ Fixed		Variable		
Type of Offering:				
☐ Public Offering	~	✓ Private Placement		
New Construction		Acquisition of Existing Facility		
Refunding				
(Refunding only)Will you be applying for Star		No		
Is this a transfer of property to a new owner?	Yes O No			
Construction Financing:				
Credit Enhancement		None		
Letter of Credit	~	✓ Other (specify) :Private Placement		
Name of Credit Enhancement Provider or Pr	ivate Placement Purchase	er: Rabo Bank		
Permanent Financing:				
Credit Enhancement	☐ Credit Enhancement ☐ None			
Letter of Credit	✓	Other (specify) :Ra	bo Bank	
Name of Credit Enhancement Provider or Pr	ivate Placement Purchase	er: Rabo Bank		
Expected Rating:				
Unrated				
Moody's:	S&P:		Fitch:	
aa	aa		aa	
Projected State Allocation Pool:				
Will the project use Tax-Credit as a souce of	funding? ON			

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	\$7,310,000.00
Taxable Bond Proceeds:	\$
Tax Credits:	\$3,754,017.00
Developer Equity:	\$15,272.00
Other Funds (Describe):	
Net Operating Income	\$254,565.00
	<u> </u>
	<u> </u>
Total Sources:	\$11,333,854.00
Uses:	
Land Acquisition:	\$
Building Acquisition:	\$6,200,000.00
Construction or Remodel:	\$2,330,415.00
Cost of Issuance:	\$350,000.00
Capitalized Interest:	\$246,025.00
Reserves:	\$178,367.00
Other Uses (Describe):	
Developer Fee	\$1,210,312.00
Development Soft Cost	\$818,735.00
	<u> </u>
Total Uses:	\$11,333,854.00

Financing Team Information

Street:

Phone:

Email:

City:

Bond Counsel Firm Name: Orrick, Harrington **Primary Contact** First Name: Justin Last Name: Cooper Title: Partner Address: Street: 405 Howard Street Suite: State: California Zip: **94105** City: San Francisco Phone: 4157735700 Ext: Fax: 4157735759 Email: jcooper@orrick.com Bank/Underwriter/Bond Purchaser Firm Name:Rabo Bank **Primary Contact** First Name: Lauren Last Name: Stephens Title: Relationship Manager Address: Street: 618 W Main Street Suite: State: California City: Visalia Zip: **93291** Phone: 5597352270 Ext: Fax: 5597352244 Email: lauen.stephens@rabobank.com Financial Advisor Firm Name: **Primary Contact** First Name: Last Name: Title: Address: Street: Suite: City: State: Zip: Phone: Ext: Fax: Email: Rebate Analyst Firm Name: **Primary Contact** First Name: Last Name: Title: Address:

State:

Ext:

Suite:

Zip:

Fax:

RESOLUTION NO. 14-48 (<u>OUALIFIED RESIDENTIAL RENTAL PROJECT</u>) EXHIBIT A

1. Applicant:

California Statewide Communities Development Authority

2. Application No.:

14-048

3. Project Sponsor:

Lynroc Preservation Limited Partnership (Lynroc Preservation Cornucopia LLC and Lynroc

Preservation Partners LLC)

4. Project Management Co.:

Preservation Partners Management Group, Inc.

5. Project Name:

Lynroc Apartments

6. Type of Project:

Acquisition and Rehabilitation/Senior Citizens/Federally Assisted At-Risk

7. Location:

12.

Rocklin, CA

8. Private Placement Purchaser:

Citibank, N.A.

9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.

Applicable

66

10. Total Number of Units:

66 plus 1 manager unit

11. Total Number of Restricted Rental Units:

The term of the income and rental restrictions for the Project will be at least 55 years.

13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.

Applicable

14. Income and Rental Restrictions:

For the entire term of the income and rental restrictions, the Project will have:

At least 7 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 59 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.

15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.

Applicable

16. A minimum of \$0,000 of public funds will be expended for the Project.

Not Applicable

- 17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

 Not Applicable
- 18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.
 Not Applicable
- 19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
 Not Applicable
- 20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
 Not Applicable
- 21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
 Not Applicable
- 22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project. Not Applicable
- 23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

 Not Applicable
- 24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
 Not Applicable
- 25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

 Applicable
- 26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

 Not Applicable

27.	Applicants shall meet the multiple sustainable building standards utilizing landscapi materials which are compatible with the neighborhood in which the proposed project located, and that the architectural design and construction materials will provide for maintenance and durability, as well as be suited to the environmental conditions to a project will be subjected:	t is to be low
	Applicable	
	Section Waived:	*
	Energy Efficiency CALGreen Compliance	
	Landscaping	
	Roofs	
	Exterior Doors	And the second second
	Appliances	
	Window Coverings	
	Water Heater	
	Floor Coverings	
	Paint	
	Insulation	
28.	The project commits to becoming certified under any one of the following programs a. Leadership in Energy & Environmental Design (LEED) b. Green Communities c. GreenPoint Rated Multifamily Guidelines Not Applicable Not Applicable	e e
29.	The project is a New Construction or Adaptive Reuse Project exceeding the Standar of the California Building Code by: a. 17.5% Not Applicable b. 20% Not Applicable c. 25% Not Applicable	ds of Title 24, Part 6,
30.	The Project will exceed the minimum energy efficiency certification requirements for Adaptive Reuse: a. LEED for Homes (Silver) Not Applicable	or New Construction/
	b. LEED for Homes (Gold) Not Applicable	
	c. Green Point Rated (100) Not Applicable	
	d. Green Point Rated (125) Not Applicable	
31.	The project is a Home Energy Rating System (HERS II) Rehabilitation Project that defficiency above the current modeled energy consumption of the building(s) by: a. 15% Not Applicable b. 20% Not Applicable c. 25% Not Applicable d. 30% Not Applicable	commits to improve energy
32.	The project is a Rehabilitation Project that commits to developing, and/or managing Photovoltaic generation or solar energy:	the Project with the following
	b. Photovoltaic generation that offsets 50% of common area load No	t Applicable t Applicable t Applicable

RESOLUTION NO. 14-48 Exhibit A Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required:

Not Applicable

34. The project will sub-meter centralized hot water systems for all tenants: **Not Applicable**

RESOLUTION NO. 14H-__

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 \$11,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS LYNROC 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, Lynroc Preservation Limited Partnership, 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 (Lynroc Apartments) 2014 Series P (the "Note") to assist in the financing of the rehabilitation and development of a 67-unit multifamily housing rental development located in the City of Rocklin, California, and known as Lynroc Apartments (the "Project");

WHEREAS, on May 21, 2014, the Authority received an allocation in the amount of \$9,000,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the County of Placer (the "<u>County</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 \$11,000,000, 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 "Funding Lender"), 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 "<u>Commission</u>") 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; and
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower;

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

<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.

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 Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Lynroc Apartments) 2014 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 \$11,000,000; provided that the aggregate principal amount of any taxexempt Notes 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. 14R-4 of the Authority, adopted on February 6, 2014) (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, 2059), 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.

<u>Section 6.</u> 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 7. 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 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 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the 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 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 9.</u> This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 23, 2014.

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 23, 2014.

By_		
-	Authorized Signatory	

Item V

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

d. Total Road Improvement Program (TRIP) Approval, City of Lake Elsinore, County of Riverside; up to \$10,000,000 in Sales Tax Revenue Certificates of Participation. (Staff: Caitlin Lanctot)

INFORMATION REPORT

DATE: SEPTEMBER 23, 2014

APPLICANT: CITY OF LAKE ELSINORE

AMOUNT: UP TO \$10,000,000 OF LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE)

CERTIFICATES OF PARTICIPATION

PURPOSE: FINANCE THE IMPROVEMENT OF STREET INFRASTRUCTURE

PROGRAM: TOTAL ROAD IMPROVEMENT PROGRAM (T.R.I.P.)

Background:

In 2008, the Riverside County Transportation Commission ("RCTC" or the "Commission") approved the ability of the California Statewide Communities Development Authority ("California Communities" or the "Authority") to offer a program to cities and counties to finance street improvement projects by a pledge of local sales tax revenues, with the Authority entering into Installment Sale Agreements with such cities and counties which are members of the Authority. The payments under which would represent payments on Certificates of Participation ("COPs") to be executed and delivered.

RCTC collects a ½ cent sales tax (Measure A) within the county to pay for regional and local transportation projects. In November 2002, Riverside County voters approved an extension of the Measure A sales tax to 6/30/2039. RCTC member agencies (e.g. Riverside County cities) are allocated a portion of annual Measure A revenues to pay for local street projects allowed under the Measure A sale tax ordinance. Measure A funds are apportioned based on proportionate shares of dwelling units, sales tax generated and other factors.

Many cities within Riverside County have under-funded street maintenance and reconstruction resulting in a large project backlog. Many Riverside County cities have relied on funding projects on a pay-as-you-go basis using Measure A funds.

Summary:

The City of Lake Elsinore approved the sale of approximately \$10 million of Certificates of Participation ("Certificates" or "COPs") on June 24, 2014. The City has requested that the COPs be sold through the California Communities Total Road Improvement Program. The COPs are scheduled to be issued as early as late October 2014, if approved by the Commission.

The COPs are expected to secure an "A" category underlying rating from S&P and may potentially qualify for "AA" municipal bond insurance. The COPs will be repaid over 25 years with level annual payments. As to the City of Lake Elsinore's Installment Payments for the Certificates, annual Measure A revenues as compared to Installment Payments will be structured to provide an estimated 2 times coverage from the City's Measure A revenues. Stated differently, the City anticipates using about 50% of its Measure A revenues (approximately \$1.06 million in FY 2014) for Certificate

payments. The remaining Measure A revenue, approximately \$500,000 may continue to be used for ongoing street operations and maintenance.

Overall, some of the public benefits of the financing:

- ✓ The issuance of the certificates on behalf of the City of Lake Elsinore will allow the City to make much needed improvements to their street infrastructure that may otherwise have been deferred due to lack of sufficient funds.
- ✓ The program will provide the ability to catch up on backlog repairs; increase the service level of the street network; and lower maintenance costs long term.
- ✓ The issuance will call for Certificates of Participation under an installment sale structure. No lease of assets would be required, wherein past transactions of this nature have required a lease of city/county assets.

Approvals:

Based on the overall public benefit and conformance to the CSCDA Issuance Policies, it is recommended that this Commission approve the Resolution as submitted to the Commission, which:

- 1. Approves the Issuance of the COPs through the Total Road Improvement Program;
- 2. Approves all necessary actions and documents for the financing; and
- 3. Authorize any member of the Commission to sign all necessary documents.

Attachment A – Transportation Revenue Summary

Local Approval Information:

On June 24, 2014, the City of Lake Elsinore approved a resolution authorizing the issuance of COPs up to \$10 million through the Total Road Improvement Program.

Finance Team:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
 Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
 Underwriter: Stifel, Nicolaus & Company, Inc., Los Angeles

• Financial Advisor: Urban Futures Inc., Orange

Financing Structure:

The COPs will mature in no more than twenty-five years (2039) and will be issued as fixed rate tax-exempt obligations. The COPs will be publicly offered by the Underwriter in minimum denominations of \$5,000. The COPs are projected to receive an "A" rating (anticipated) from Standard & Poor's. The proposed sale of COPs will comply with the Authority's policies for the issuance of publicly offered securities.

Estimated Sources and Uses:

City of Lake Elsinore

Sources:	
Proceeds ¹	<u>\$7,709,936</u>
Total Sources	\$7,709,936
Uses:	
Project Fund	\$6,886,386
Debt Service Reserve Fund	500,000
Cost of Issuance	<u>323,550</u>
Total Sources	\$7,709,936

¹Includes net original issue premium and/or discount, subject to change.

RESOLUTION NO. ___NP-___

RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ONE OR MORE INSTALLMENT SALE AGREEMENTS, TRUST AGREEMENTS, AND CERTIFICATE **AGREEMENTS** CONNECTION **PURCHASE** IN WITH EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2014A (T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES. AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH AND AUTHORIZING CERTIFICATES THE **EXECUTION OF** NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED **ACTIONS**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers the Authority to cause certificates of participation to be executed and delivered to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the Local Agencies named in Schedule I hereto (referred to herein as the "Local Agencies") have determined that the consummation of the transactions contemplated in the respective Installment Sale Agreement to which they are party, between the Local Agency and the Authority (the "Agreement") and a Trust Agreement, among the Authority, some or all of such Local Agencies and Wells Fargo Bank, National Association, as trustee (the "Trustee") will result in significant public benefits, and accordingly, have determined to participate in the California Communities T.R.I.P.—Total Road Improvement Program (the "Program") established by the Authority;

WHEREAS, each Local Agency is a participant in the Program and a member of the Authority;

WHEREAS, each Local Agency participating in the Program desires to have the installment sale payments payable in connection with its Agreement combined in one or more series or pools with similar payments made pursuant to the Agreements executed by some or all of the other Local Agencies participating in the Program in order to achieve a lower net interest cost and lower costs of issuance associated with executing and delivering each such series of Certificates:

- **WHEREAS,** the Certificates shall be designated "California Communities Local Measure A Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2014A (T.R.I.P. Total Road Improvement Program)" (herein the "Certificates"), and the aggregate principal amount for such series and any subseries shall not exceed \$10,000,000;
- **WHEREAS**, the Authority and the Local Agencies may determine that securing the timely payment of the principal and interest evidenced by the Certificates by obtaining a Certificate insurance policy with respect thereto could be economically advantageous;
- **WHEREAS,** Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), has submitted to the Local Agencies and the Authority a proposed form of Certificate Purchase Agreement (the "Certificate Purchase Agreement") to purchase each series of the Certificates:
- **WHEREAS,** a form of the Preliminary Official Statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the Certificates has been prepared;
- **WHEREAS**, the public improvements to be financed by each Local Agency are to be located within the respective boundaries of each Local Agency;
- **WHEREAS,** the Program will result in significant public benefits in the form of demonstrable efficiencies, economies of scale, savings in effective interest rates and other cost savings for the participating Local Agencies;
- **WHEREAS**, the Commission has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Commission has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and
- WHEREAS, all acts, conditions and things required by the 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 such financing authorized hereby 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 consummate such financing for the purpose, in the manner and upon the terms herein provided;
- NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, as follows:
- **Section 1.** All of the recitals herein contained are true and correct and the Commission so finds.
- **Section 2.** The form of Agreement with each Local Agency, each to be dated as of the first day of the month preceding the initial execution and delivery of the Certificates (the "Document Date"), as made available to the Commissioners, is hereby approved, and any member of the Commission of the Authority or their administrative delegatees duly authorized

pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an "Authorized Signatory") is hereby authorized and directed to execute and deliver the Agreements in substantially such form, with any changes, additions and completions thereto as such Authorized Signatory may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of Trust Agreement pertaining to each series of Certificates (to be revised as appropriate), each to be dated the Document Date, among the Local Agencies participating in the related series of Certificates, the Authority and the Trustee, as made available to the Commissioners, is hereby approved, and any Authorized Signatory is hereby authorized and directed to execute and deliver the Trust Agreements in substantially such form, with any changes, additions and completions thereto as such Authorized Signatory may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of all series of the Certificates shall not exceed \$10,000,000, the final maturity date of the Certificates shall be no later than June 1, 2039 and the true interest cost applicable to the interest components of the installment payments shall not exceed 5.75% and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Certificates established by the Certificate Purchase Agreement as finally executed.

Section 4. The execution and delivery of the Certificates, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Trust Agreements as finally executed, is hereby authorized and approved.

Section 5. The form of Certificate Purchase Agreement pertaining to each series of Certificates (to be revised as appropriate), as made available to the Commissioners, is hereby approved, and any Authorized Signatory is hereby authorized and directed to execute the Certificate Purchase Agreements in substantially such form, with any changes, additions and completions thereto as such Authorized Signatory may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriter's discount for the sale of the Certificates shall not exceed 2.00% of the aggregate principal amount of such Certificates.

Section 6. The form of Preliminary Official Statement relating to the Certificates, as made available to the Commissioners, is hereby approved on behalf of the Local Agencies. Any Authorized Signatory is hereby authorized and directed, at or after the time of the sale of the Certificates, on behalf of the Local Agencies, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as such Authorized Signatory may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized and directed to distribute copies of the Preliminary Official Statement to potential purchasers of the Certificates and the Official Statement, as finally executed, to the purchasers of the Certificates. Any Authorized Signatory is hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

Section 7. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, negotiating the terms of an insurance policy and/or a reserve surety bond to the extent such insurance and surety bond is determined to be economically advantageous.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 9. This Resolution shall be in full force and effect upon its adoption.

PASSED AND ADOPTED by the Cal-	ifornia Statewide Communities Development
I, the undersigned, an Authorized Signat Development Authority, DO HEREBY CERTIFY by the Commission of the Authority at a duly called the held in accordance with law on,	ed meeting of the Commission of the Authority
Ву:	Authorized Signatory California Statewide Communities

Development Authority

SCHEDULE I

LOCAL AGENCIES

City of Lake Elsinore

Item VI

Consideration of resolution authorizing the execution and delivery of a supplemental indenture relating to the Casa de Vallejo Apartments Series 2005 AA. (Staff: Caitlin Lanctot)

EXECUTIVE DIRECTOR APPROVAL

DATE: SEPTEMBER 23, 2014

PROJECT: CASA DE VALLEJO

PURPOSE: AUTHORIZE THE FIRST SUPPLEMENTAL BOND INDENTURE

PROGRAM: HOUSING

Summary:

The Executive Director has reviewed the request to authorize the First Supplemental Bond Indenture for the Casa de Vallejo Project. The First Supplemental Bond Indenture will provide the necessary documentation for CSCDA to directly invoice the new owner of the Casa de Vallejo Project for bond administration fees after 2020 and represents a reasonable request from the new owner of the project.

Recommendation:

The Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

- 1. Approves the First Supplemental Bond Indenture related to Casa de Vallejo Apartments Series 2005 AA; and
- 2. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

INFORMATION REPORT

DATE: SEPTEMBER 11, 2014 **PROJECT:** CASA DE VALLEJO

PURPOSE: AUTHORIZE THE FIRST SUPPLEMENTAL INDENTURE

PROGRAM: HOUSING

Background:

In 2005, CSCDA issued \$9,225,000 in multifamily revenue bonds (the "Bonds") on behalf of Vallejo Housing Partners, LP (the "Borrower") to finance the acquisition and rehabilitation of the Casa de Vallejo Apartments (the "Project"). The Project continues to provide the city of Vallejo with 136 units of affordable housing for seniors.

The original Indenture for the Project called for the annual administrative fees to be paid up front through 2020. Additionally, as the Borrower made payments on the Note, a portion of the funds went to a surplus fund designed to be drawn upon after 2020 for administrative fees.

In May of this year the Project was sold to Legacy at Sonoma Associates, LP (the "Buyer"), who assumed the existing Regulatory Agreement. During the sale, the surplus funds were refunded to the original Borrower and the Buyer agreed to resume direct annual payments to CSCDA after 2020. The Buyer has requested that CSCDA amend the Indenture, in the First Supplemental Indenture, to reflect the Buyer's agreement with the original Borrower, that no monies are to be collected from debt service payments to fund an administrative fee surplus fund and that all amounts in such fund, collected since the sale of the property in May 2014, are to be returned to the Buyer. The First Supplemental Indenture also recognizes that CSCDA will directly bill the Buyer for Bond Administration fees after 2020.

The Project remains to be in compliance with all of CSCDA's issuance policies and will continue to be in compliance if the First Supplemental Indenture is approved.

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE RELATED TO ITS MULTIFAMILY HOUSING REVENUE BONDS (CASA DE VALLEJO APARTMENTS) 2005 SERIES AA AND APPROVING RELATED MATTERS IN CONNECTION THEREWITH

WHEREAS, the California Statewide Communities Development Authority (the "Authority") previously issued its Multifamily Housing Revenue Bonds (Casa de Vallejo Apartments) 2005 Series AA (the "Bonds"), pursuant to a Trust Indenture, dated as of October 1, 2005 (the "Indenture"), between the Authority and Wilmington Trust, National Association, as successor trustee (the 'Trustee"); and

WHEREAS, the Bonds were issued for the purpose of making a loan of the proceeds thereof (the "Loan") to Vallejo Housing Partners L.P., a California limited partnership, predecessor to Legacy at Sonoma Associates, L.P., a California limited partnership (the "Borrower") to finance the acquisition, rehabilitation and development of a multifamily housing development generally known as Casa de Vallejo Apartments and located in the City of Vallejo, California (the "Project"); and

WHEREAS, the Authority wishes to amend the Indenture to reduce payments to be made on the Note (as defined in the Indenture) to reflect the Borrower's agreement to pay the Authority's administration fee directly to the Authority in a manner not adverse to the owner of the Bonds; and

WHEREAS, pursuant to the Indenture, the Indenture may be amended at any time by a supplement thereto, executed and delivered upon satisfaction of certain conditions set forth therein; and

WHEREAS, the Authority desires to revise the Indenture to effect direct payment of the Authority's administration fee, and there has been prepared and presented at this meeting a First Supplemental Trust Indenture, dated as of September 1, 2014 (the "Supplemental Indenture"), which is in proper form and an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission of the Authority, 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.

Section 2. The Authority hereby approves the form of the Supplemental Indenture presented at this meeting. Any Authorized Signatory of the Authority, acting alone, is authorized to execute by manual or facsimile signature and deliver the Supplemental Indenture with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 3. All actions heretofore taken by the officers and agents of the Authority with respect to the amendment of the Indenture, and the execution and delivery of the Supplemental Indenture are hereby approved, ratified and confirmed, and any member of the Authority, 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 those described in the Supplemental Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes hereof 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 transactions mentioned herein.

<u>Section 4</u>. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 11, 2014.

I, the undersigned, the duly appointed and qualified Secretary 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 11, 2014.

By	
•	Member

Item VII

Consideration of the City of Cloverdale Acknowledgement to waive the sixty day notice of prepayment.

EXECUTIVE DIRECTOR APPROVAL

DATE: SEPTEMBER 23, 2014

APPLICANT: CITY OF CLOVERDALE

PURPOSE: WAIVE THE 60 NOTICE REQUIREMENT FOR PREPAYMENT

CSCDA PROGRAM: WATER/WASTEWATER

Executive Director Recommendation:

The CSCDA Executive Director recommends approval of the waiver of the sixty day requirement to notify CSCDA of a prepayment of the Series 2000C Bonds.

Attachments:

1. Letter from the City of Cloverdale



FAX COVER SHEET

DATE:

September 17, 2014

TO:

Caitlin Lanctot

California Statewide Communities Development Authority

FROM:

Joanne Cavallari, Finance Manager

RE:

Notice of Intent to Prepay

Number of Pages, Including Cover:

3

Attached is the revised Notice of Intent to Repay letter.



September 17, 2014

Caitlin Lanctot
California Statewide Communities Development Authority
2999 Oak Road, Suite 710
Walnut Creek, Californ a 94597

Re:

Partial Redemption of \$9,750,000 Aggregate Principal Amount of California State vide Communities Development Authority

Water and Was:ewater Revenue Bonds

(Pooled Financing Program), Series 2000C

Dear Ms. Lanctot:

I am the Finance Manager of the City of Cloverdale (the "City") and, as such, am authorized to deliver this letter to you on behalf of the City. As you know, the City has participated in the financing program of the California Statewide Communities Development Authority ("CSCDA") through the issuance of the above-captioned bond issue (the "2000 Bonds"). In connection with the issuance of the 2000 Bonds, the City previously entered into an Installment Purchase Agreement with CSCDA, dated as of December 1, 2000 (the "2000 Installment Purchase Agreement"), under which the City is obligated to pay installment payments (the "2000 Installment Payments") which support a portion of the debt service payments on the 2000 Bonds.

Under Section 7.1 of the 2000 Installment Purchase Agreement, the City currently has the right to prepay the 2000 Installment Payments on any date on which the 2000 Bonds are subject to redemption, and the 2000 Bonds are currently subject to redemption on any date at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium. Section 7.1 further requires that the City provide CSCDA with sixty days prior notice of such prepayment.

On behalf of the City, I hereby notify you of the City's intent to prepay the 2000 Installment Payments on or about October 29, 2014. In connection therewith, I request that CSCDA waive its right to receive sixty days prior notice of such prepayment as required pursuant to the 2000 Installment Purchase Agreement in order to accommodate such prepayment on or about October 29, 2014.

For the benefit of the C ty's records, I kindly ask that you complete the attached Acknowledgement and return it to me by no later than September 30, 2014. Please feel free to contact me at (707) 894-1715 should you have any questions. Thank you very much in advance for your assistance with this matter.

Very truly yours, Jaanne Cavallari

Joanne Cavallari Finance Manager

cc: Sean Vaccarezza, MUFG Union Bank, N.A.

ACKNOWLEDGEMENT

In response to the request by the City of Cloverdale (the "City") set forth in a letter dated September 17, 2014 (the "Request"), the California Statewide Communities Development Authority ("CSCDA") hereby confirms its waiver of its right to receive sixty days prior notice of the prepayment of the 2000 Installment Payments as required pursuant to the 2000 Installment Purchase Agreement (as such terms are defined in the Request).

IN WITNESS W	VHEREOF, the undersign	ed has caused this	Acknowledgement to	be
signed by its authorize:	d representative on this	day of	, 2014.	
CALIFORNIA STATEVA DEVELOPMENT AUTI-				
Ву:				
Name:				
Title:				

Item VIII

Consideration of submitting a request to the California Supreme Court to depublish the Appellate Court decision in City of San Diego v. Shapiro.

EXECUTIVE DIRECTOR APPROVAL

DATE: SEPTEMBER 23, 2014

PURPOSE: SUBMITTING A REQUEST TO THE CALIFORNIA SUPREME COURT TO DEPUBLISH

THE APPELLATE COURT DECISION IN CITY OF SAN DIEGO V. SHAPIRO

Executive Director Recommendation:

The CSCDA Executive Director recommends that the CSCDA submit the attached Request for Depublication to the Appellate Court.

Attachments:

1. Drafted letter to the Honorable Chief Justice and Associate Justices of the Supreme Court of California

September _____, 2014

The Honorable Chief Justice and Associate Justices of the Supreme Court of California 350 McAllister Street San Francisco, CA 94102-4797

Re: Request for Depublication of *City of San Diego v. Shapiro* (2014) 228 Cal. App. 4th 756 (California Court of Appeal, Fourth Appellate District, Division One, Case No. D063997, filed August 1, 2014)

To the Honorable Chief Justice and Associate Justices of the Supreme Court:

Pursuant to Rule of Court 8.1125, the [______], [California Building Industry Association], [Building Industry Legal Defense Foundation], [Building Industry Association of the Bay Area], and [California Business Properties Association] respectfully request that the Court order the depublication of the opinion in *City of San Diego v. Shapiro* (2014) 228 Cal. App. 4th 756 (California Court of Appeal, Fourth Appellate District, Division One, Case No. D063997, filed August 1, 2014) ("*Shapiro*"). The *Shapiro* opinion addresses the validity of a community facilities district special tax election under California Constitution, Article XIII A (Proposition 13) and Article XIII C (Proposition 218), as well as under the San Diego City Charter.

Pursuant to the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code § 53311 et seq.) (the "Mello-Roos Act"), local governments have for more than 30 years relied on community facilities district special tax revenue to fund infrastructure for new development. The vast majority of the special taxes generating that revenue have been approved by landowner votes. As explained in detail below, the *Shapiro* decision essentially ends community facilities district financings based on landowner special tax elections by establishing a broad constitutional principle that was unnecessary to the decision. The impact on local agencies' continuing ability to pay for critical infrastructure, and on development, will be severe. Accordingly, the organizations described below respectfully request that the Court order the *Shapiro* decision depublished.

I. STATEMENTS OF INTEREST

Cities, counties and special districts throughout California rely on special tax revenue authorized by landowner elections in accordance with the Mello-Roos Act, and have done so for more than 30 years. Their interest in the continuing availability of those financings, and thus the depublication of the *Shapiro* decision, is concrete and immediate. The following organizations, each of which works closely with cities, counties and special districts in California, sponsor this request for depublication.

[LOCAL AGENCY AND/OR LOCAL AGENCY ASSOCIATION]

[The California Building Industry Association is a statewide non-profit trade association comprising approximately 3,000 members involved in the residential development industry. CBIA and member companies directly employ over one hundred thousand people. CBIA is a recognized voice of all aspects of the residential real estate industry in California.]

[The Building Industry Legal Defense Foundation is a non-profit mutual benefit corporation and wholly-controlled affiliate of the Building Industry Association of Southern California, Inc. BIA/SC, in turn, is a non-profit trade association representing nearly 1,000 member companies. The mission of BIA/SC is to promote and protect the building industry to ensure its members' success in providing homes for all Southern Californians. BILD's purposes are, among others, to monitor legal and regulatory developments and to intervene when appropriate to improve the legal climate for BIA/SC's members and the construction industry in Southern California.]

[The Building Industry Association of the Bay Area is a non-profit association representing builders, developers, professionals and related trades and organizations in the construction industry in the San Francisco Bay Area. BIA/BA's mission includes advocacy in support of housing opportunities for prospective homebuyers and renters, and representation of the interests of its members and the community in supporting the provision of housing opportunities affordable for all segments of the community and enforcing California laws governing housing and residential development.]

[The California Business Properties Association serves as the California legislative and regulatory advocate for individual companies, as well as the International Council of Shopping Centers, the California Chapters of the Commercial Real Estate Development Association, the Building Owners and Managers Association California, the Institute of Real Estate Management chapters of California, the California Downtown Association, the Retail Industry Leaders Association and the Association of Commercial Real Estate – Southern California, making CBPA the recognized voice of the commercial, industrial, and retail real estate industries in California representing over 10,000 companies.]

II. BACKGROUND

The City of San Diego brought a validation action under Civil Procedure Code section 860 *et seq.* to confirm the validity of a special tax and bonds that would be used to finance, in part, the City's proposed Convention Center expansion. In order to implement the financing, the City created the Convention Center Facilities District ("CCFD") pursuant to San Diego Municipal Code, chapter 6, article 1, division 27 ("Division"). The Division incorporated much of the Mello-Roos Act, including the landowner voting provisions. Section 53326, subdivision (c), of the Mello-Roos Act provides that, with respect to special taxes that will not be levied in any year on property in residential use, approval of the special tax may be by a vote of the "landowners of the proposed district whose property would be subject to the tax." Cal. Gov't Code § 53326(c).

With certain revisions adopted in the Division, the City utilized the voting mechanism established by section 53326(c) for the CCFD special tax election. The Division provided that

¹ The Legislature added subsection (c) to Section 53326 in 1986; the Mello-Roos Act was enacted in 1982.

the landowners of hotel properties within the CCFD—or hotel property lessees, in the case of hotels located on real property owned by the government—were the qualified electors to vote on the CCFD special tax. Consistent with the Mello-Roos Act, only these landowners would be subject to the special tax, and they therefore constituted the group entitled to vote under section 53326(c), as incorporated by the Division. The CCFD voters approved the special tax by more than a two-thirds majority.

Following trial in the City's validation action, the trial court ruled that the CCFD election, special tax and proposed bonds were legal and valid, and entered judgment accordingly. *City of San Diego v. All Persons Interested, etc.*, San Diego Superior Court, Case No. 37-2012-00097148. Interested persons Melvin Shapiro and San Diegans for Open Government, who had opposed the CCFD validation in the trial court, appealed. Briefing and oral argument followed.

On August 1, 2014, the Court of Appeal issued its decision, which it certified for publication. *City of San Diego v. Shapiro* (2014) 228 Cal. App. 4th 756. The Court reversed the validation judgment, concluding that the election approving the CCFD special tax did not comply with California Constitution Article XIII A, section 4 (Proposition 13) and Article XIII C, section 2(d) (Proposition 218). The Court also invalidated the CCFD election and special tax under article 2, section 6 of the San Diego City Charter.

With respect to the California Constitution, the Court of Appeal held that the "qualified electors" and "electorate" required to approve a special tax by two-thirds majority vote under Proposition 13 and Proposition 218, respectively, must be the "registered voters" of the involved city, county or special district. Specifically as to the CCFD, the Court held unconstitutional the voting procedure established under the Division, and in particular, the landowner voting mechanism incorporated from section 53326(c) of the Mello-Roos Act. The Court concluded that "the City's special tax is invalid because it was not approved by a two-thirds vote of either the 'qualified electors' (art. XIII A, § 4) or the 'electorate' (art. XIII C, § 2, subd. (d)) of the City, as the California Constitution requires." *Shapiro*, 228 Cal. App. 4th at 789.

The Court stated it did not need to decide, and therefore was not deciding, "the distinct question of whether landowner voting to impose special taxes pursuant to section 53326, subdivision (b) is constitutional under article XIII A, section 4 and article XIII C, section 2, subdivision (d) in districts that lack sufficient registered voters to conduct an election among registered voters." *Shapiro*, 228 Cal. App. 4th at 786, n.32. Section 53326(b) of the Mello-Roos Act provides for landowner elections to approve special taxes in districts where fewer than 12 registered voters reside. Cal. Gov't Code § 53326(b).

Notwithstanding the Court's exception, a faithful application of the reasoning and holding from the *Shapiro* decision necessarily renders all special tax landowner elections unconstitutional, including landowner votes under Section 53326(b).

III. THE SHAPIRO DECISION SHOULD BE DEPUBLISHED

A. The Court's Holding Ends Mello-Roos Financings Based On Landowner Elections

The *Shapiro* decision found a special tax election invalid on two grounds: (1) that it violated the California Constitution; and (2) that it violated the San Diego City Charter. *Shapiro*, 228 Cal. App. 4th at 789, 792. Because the Court of Appeal determined the issue on the City Charter, it was not necessary for the Court to decide the constitutional question. And in deciding the constitutional question, the *Shapiro* Court went much farther than it needed to go.

The Mello-Roos Act provides for two types of landowner voting: (1) where the community facilities district is uninhabited (the Legislature defined this as involving fewer than 12 registered voters); and (2) when residential property is never going to be taxed, regardless of the number of registered voters in the district. Cal. Gov't Code §§ 53326(b), (c). The *Shapiro* case involved the second of these landowner voting procedures, under section 53326(c), and the Court could have confined its decision to the situation presented. But the *Shapiro* Court, by its reasoning, found *both* types of Mello-Roos landowner elections to be unconstitutional. Specifically, the Court concluded, without meaningful limitation, that the "qualified electors" under Proposition 13 and the "electorate" under Proposition 218 required to approve any special tax by two-thirds majority vote must be the registered voters of the involved city, county or special district. *Shapiro*, 228 Cal. App. 4th at 761 ("We conclude that the election was invalid under the California Constitution because such landowners and lessees are neither "qualified electors" of the City for purposes of article XIII A, section 4, nor do they comprise a proper "electorate" under article XIII C, section 2, subdivision (d).) (citations omitted).

Although the Court noted that the first type of Mello-Roos landowner voting was not before it (section 53326(b), fewer than 12 registered voters in the district), that statement does not alter the Court's reasoning or the effect of the Court's conclusion.² If a district contains any registered voters at all—some number between 1 and 11—a faithful application of *Shapiro* requires that the registered voters within the boundaries of the district must be the ones to vote on the special tax. Similarly, every time additional undeveloped land is proposed to be annexed to an existing district, the vote to approve or reject the annexation and special tax must be by a handful of registered voters who happen to reside within the existing and/or expanded district's boundaries. Notwithstanding the Court's attempt to distinguish its reasoning, the Court of Appeal's conclusion that the "qualified electors" under Proposition 13, and the "electorate" under Proposition 218, means "registered voters" does not leave room for landowner voting simply because there are fewer than 12 registered voters in the district. In short, after the

This appeal does not require that we consider the distinct question of whether landowner voting to impose special taxes pursuant to section 53326, subdivision (b) is constitutional under article XIII A, section 4 and article XIII C, section 2, subdivision (d) in districts that lack sufficient registered voters to conduct an election among registered voters. *Shapiro*, 228 Cal. App. 4th at 786, n.32.

The Court later reiterated this statement:

[A]s we stated with respect to the City's arguments concerning the Mello-Roos Act made in connection with the state Constitution, this appeal does not require that we consider the validity of landowner voting to impose special taxes pursuant to section 53326, subdivision (b). *Shapiro*, 228 Cal. App. 4th at 792, n.42.

² The Court stated:

Shapiro decision, landowner voting under the Mello-Roos Act can never comply with Proposition 13 and Proposition 218.³

In going beyond where it needed to go, the Court did enormous damage to a vital financing tool established by the Mello-Roos Act that has been much needed and used by local governments throughout California for over 30 years. Mello-Roos special tax financings pay for infrastructure to meet the needs of new development, including such necessities as streets, sewage facilities, water facilities, storm drainage facilities, public utilities, curb/gutter/sidewalks, street lighting, traffic control facilities, freeway interchanges, schools, parks and open space, as well as private residential and commercial property installations of seismic, solar and other energy and water efficiency improvements. The Mello-Roos Act is flexible enough to be used in many different contexts, but by far its most common use is through the formation of a district on raw land proposed for development, followed by the authorization of bonds and special taxes to repay those bonds by a *landowner* vote within the district, which is permitted under the Mello-Roos Act where a district contains fewer than 12 registered voters. Cal. Gov't Code § 53326(b). Both of the objectors who appeared in the *Shapiro* case, appellants in the Court of Appeal, expressly stated that they were not attacking landowner voting in that situation.

Data available from the California Debt and Investment Advisory Commission (CDIAC) (a part of the California State Treasurer's Office) shows that from January 1997, after the enactment of Proposition 218 (and well after Proposition 13's 1978 enactment), 1,931 different Mello-Roos bond issues to be repaid from special tax revenues had been sold. CDIAC does not have data on how many of those bonds were authorized by a section 53326(b) landowner vote in a district with fewer than 12 registered voters, but experienced practitioners in the field estimate that the vast majority of those bonds and the special taxes to support them have been so authorized. The authorization of bonds and special taxes by landowner vote has been hugely important to development in California for over 30 years; by deciding an issue they did not need to reach, the *Shapiro* Court invalidated it.

The *Shapiro* decision not only strikes at a vital financing tool going forward, it may severely punish local governments for reliance on the Mello-Roos Act in the past. In numerous existing districts, only a portion of the authorized bonds have been issued; as a matter of course, subsequent series of bonds are intended to be issued as development progresses. Local governments approved these developments because districts were in place to fund the infrastructure necessary to serve those developments. After *Shapiro*, those communities may be in an impossible situation if bond investors are no longer willing to purchase bonds whose authorization, they are now told, was unconstitutional.

In the early years of Mello-Roos financings, virtually every landowner vote was judicially validated under Civil Procedure Code section 860 *et seq*. to protect the bond investors from the possibility of a ruling such as that issued in the *Shapiro* decision. By the early 1990s, the bond

³ In addition, it is not clear after *Shapiro* whether a landowner vote under Section 53326(b) is constitutional even where there are zero registered voters within the boundaries of the district. In wholly undeveloped areas, the zero-registered-voter situation is universal, thus *Shapiro* leaves a cloud of uncertainty over a very common special tax revenue source for local agencies throughout the State.

⁴ See http://www.treasurer.ca.gov/cdiac/; see, e.g., http://cdiacreports.treasurer.ca.gov/Search.aspx; http://www.treasurer.ca.gov/cdiac/reports/M-Roos/2012.pdf.

market became comfortable with the constitutionality of such landowner elections and no longer required a validation judgment in order to make the Mello-Roos bonds marketable. The market concluded that with billions of dollars of such bonds outstanding, with no one objecting to such landowner votes, and with the authors of Propositions 13 and 218 indicating no desire to stop the practice, any court would respect both the judgment of the Legislature and the established practice. In short, the Legislature's adoption of the Mello-Roos Act with explicit provisions for landowner voting, and more than 30 years of landowner elections approving special taxes, gave local agencies, issuers and underwriters complete confidence that Mello-Roos landowner elections complied with the California Constitution.

After *Shapiro*, the practical reality is that bond investors and underwriters are unlikely to proceed with local agency Mello-Roos financings in the face of uncertainty surrounding the special tax election. Ultimately, the lack of Mello-Roos special tax funds for infrastructure may prevent some development entirely, correspondingly leading to further unintended consequences, including lost jobs and reduced property and sales tax base in local communities throughout the State.

The substantial and unnecessary damage done to an essential financing tool, and to which no one in this or any prior case has raised an objection, can be undone by this Court's order that the *Shapiro* opinion not be published.

B. The Court Of Appeal Should Not Have Decided The Constitutional Issue

The *Shapiro* Court could have, and under established constitutional doctrine should have, decided the appeal solely on the basis of the San Diego City Charter.

1. The Shapiro Court's Holding Under the San Diego City Charter Conclusively Invalidated the CCFD Election and Special Tax

The Shapiro Court determined, "The City's special tax is invalid because it was not approved by a two-thirds vote of the registered voters, as is required under the City Charter." Shapiro, 228 Cal. App. 4th at 792. In reaching this conclusion, the Court explained that article 2, section 6 of the City Charter defined "qualified electors" as persons having the same qualifications as "those prescribed by the general law of the State . . . at General Elections." Shapiro, 228 Cal. App. 4th at 790. The Court further concluded that section 76.1 of the City Charter "mandates that a special tax may be imposed only upon the approval of two-thirds of 'qualified-electors." Shapiro, 228 Cal. App. 4th at 790. The CCFD special tax at issue was approved by a defined group of landowner voters, not the general electorate of City registered voters. As a result, the Court held that "the City's special tax is invalid" under the charter. Shapiro, 228 Cal. App. 4th at 792.

2. The Shapiro Court Unnecessarily Reached Constitutional Issues Contrary to Established Rules of Judicial Restraint

The Court's analysis and holding under the San Diego City Charter conclusively determined the invalidity of the CCFD election and special tax, and provided complete and adequate grounds for the Court to reverse the underlying validation judgment. No further decision was required.

California law is well-settled that courts should not decide constitutional questions where the disputed issue may be resolved on other grounds. *See Palermo v. Stockton Theatres, Inc.* (1948) 32 Cal. 2d 54, 65-66 (refusing to reach constitutionality of Alien Land Act); *Stone Street Capital, LLC v. California State Lottery Com.* (2008) 165 Cal. App. 4th 109, 118. Here, the *Shapiro* Court interpreted the San Diego City Charter and determined that the City did not comply with the charter's requirements in approving the CCFD special tax. *See Shapiro*, 228 Cal. App. 4th at 789-92. As such, the Court determined that the landowner vote and special tax were invalid, thus deciding the dispositive issue in the appeal. That disposition should have been the Court's complete decision.

The Court of Appeal went beyond what was necessary to decide the *Shapiro* appeal and engaged in a detailed analysis of constitutional issues and definitions regarding voting requirements under Proposition 13 and Proposition 218. *See Shapiro*, 228 Cal. App. 4th at 770-88. The Court's foray into constitutional voting mandates was not necessary (as discussed above), and was contrary to established precedent. *See Palermo*, 32 Cal. 2d at 65-66 (discussing impropriety of "gratuitously mak[ing] opportunity for either reaching or declaring views on the suggested constitutional question"). Because the Court's holding under the San Diego City Charter conclusively decided the invalidity of the special tax election, any analysis of constitutional voting requirements was contrary to the rules of judicial restraint and the established prohibition against making constitutional determinations "where other grounds are available and dispositive of the case." *See Palermo*, 32 Cal. 2d at 66.

IV. <u>CONCLUSION</u>

Respectfully submitted,

The Court of Appeal in *Shapiro* reached significant constitutional issues that it need not have decided. The Court's over-reaching created draconian results with respect to a long-standing and critical financial resource on which local agencies have relied for more than three decades, and the constitutionality of which has never been in question. To undo that damage, this Court should order that the *Shapiro* decision be depublished.

[_____][CBIA][BILD][BIA/BA][CBPA]

cc: The Court of Appeal of the State of California, Fourth Appellate District, Division One The Superior Court of California, County of San Diego
 Cory Briggs, Esq. (Counsel for Appellant San Diegans for Open Government)
 Craig Sherman, Esq. (Counsel for Appellant Melvin Shapiro)
 M. Travis Phelps, Esq. (Counsel for Respondent City of San Diego)
 Michael Weed, Esq. (Counsel for Respondent City of San Diego)

Item IX

Consideration of an Amended and Restated Request for Proposal for CSCDA Program Origination, Program Development and Management Services.

STAFF REPORT

DATE: SEPTEMBER 23, 2014

FROM: CATHY BANDO, CSCDA EXECUTIVE DIRECTOR

SUBJECT: AMENDED AND RESTATED CSCDA PROGRAM ADMINISTRATOR RFP

Overview:

In connection with the RFP process for CSCDA's Program Administrator, Section VI.3. of the RFP dated May 8, 2014 states "CSCDA reserves the right to modify the selection procedures, follow an alternative procedure, or to reject all proposals and make no selection." The attached Amended and Restated CSCDA Program Administrator RFP calls for a new submission date and time of October 3, 2014 at 12:00 PM. The amendment will enable CSCDA to solicit proposals from additional qualified firms in connection with providing Program Administration services to CSCDA. Existing proposers have the ability to make revisions to their original proposals during this timeframe, or to have their original proposal remain under consideration.

Recommendation:

The Executive Director, in consultation with counsel and the Program Administrator RFP Ad Hoc committee, recommends:

- Approval of the Amended and Restated CSCDA Program Administrator RFP dated September 23, 2014.
- 2. Commission instructs staff to provide a link on the CSCDA Website Home page, to enable potential proposers to download the Amended and Restated CSCDA Program Administrator RFP.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AMENDED AND RESTATED REQUEST FOR PROPOSAL

PROGRAM ORIGINATION, PROGRAM DEVELOPMENT AND MANAGEMENT SERVICES

May 8September 23, 2014

I. INTRODUCTION

The California Statewide Communities Development Authority ("CSCDA" or the "Authority") is soliciting proposals for a partner to provide key leadership and support in origination, new program development, administration and management (the "Program Administrator" or "Program Manager") of the Authority's public benefit financing programs. While the Authority's preference is to engage a single Program Administrator for all of its programs, the Authority reserves the right to select multiple partners to manage and administer its programs or to internally manage portions or all of the programs.

On May 8, 2014 CSCDA issued a Request For Proposals for Program Administrator services (the "Original RFP.") Section VI.3. of the Original RFP stated "CSCDA reserves the right to modify the selection procedures, follow an alternative procedure, or to reject all proposals and make no selection." The purpose of this Amended and Restated Request for Proposals (the "Amended RFP") is to solicit proposals from additional qualified firms in connection with providing Program Administration services to CSCDA. Existing proposers have the ability to make revisions to their original proposals during this timeframe, or to have their original proposal remain under consideration (see Secion VI. General RFP Instructions, 3. Submission Procedures, herein.)

II. BACKGROUND

CSCDA's mission is to provide local governments and qualified private entities with access to low-cost, tax-exempt, taxable or tax-credit based financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California.

CSCDA is a Joint Powers Authority ("JPA") created in 1988 under California's Joint Exercise of Powers Act. CSCDA is sponsored by the League of California Cities (the "League" or the "LCC") and the California State Association of Counties ("CSAC"). The statewide authority derives its issuing powers from state law and its city, county and special district members. Any California local government is eligible to become a member of the JPA. The current members of the JPA represent the following types of local agencies:

Style Definition: Normal

Type of Local Agency	Number
Cities	366
Counties	56
City & County	1
Special Districts	69
Other Agencies	17
Total	509

CSCDA provides California local governments with an effective tool for the timely financing of community-based public benefit projects. A copy of the amended and restated JPA Agreement can be downloaded at CSCDA's website at:

http://www.cacommunities.org/fileadmin/hb/cscda/about_us/CSCDAjpaAgreement.pdf

In addition to managing CSCDA's programs, the Program Administrator manages the activities of the California Statewide Communities Development Corporation (see below under New Markets Tax Credit Program) and the California Statewide Financing Authority (created for Tobacco Securitizations.) The Authority has completed over 1,300 financings totaling more than \$48 billion since 1988 on behalf of California public agencies and qualified private entities.

1. Public Agency Programs

CSCDA creates innovative, low-cost, pooled finance programs to respond to the fiscal needs of city, county and special district participants. The programs are designed to address short-term borrowing needs, budget shortfalls, and provide access to capital for critical infrastructure improvements. CSCDA offers the following Public Agency Programs:

a) California Lease Finance Program (CaLease)

This program offers tax-exempt lease financing to public agencies for capital projects, and equipment without the traditional expense or complexity of other finance mechanisms.

b) Statewide Community Infrastructure Program (SCIP)

SCIP allows participating local agencies to receive impact fees prior to development, while property owners repay the tax-exempt obligation over a thirty year bond term. SCIP may eliminate the need for local agencies to negotiate deferral fee agreements. CSCDA has issued \$170 million in bonds through the SCIP Program.

c) Delinquent Property Tax Funding Program

This program enables cities and districts that do not participate in a county Teeter plan to sell or assign their share of their county's delinquent 1% levy taxes to the CSCDA; and similarly enables Community Facilities and Special Assessment Districts to sell or assign their delinquencies to the CSCDA. This program could also be used by cities and districts that do participate in a Teeter plan, but have some non-Teetered special tax or fund delinquencies.

d) Additional CSCDA Public Agency Programs

Since its inception, CSCDA has served as the conduit issuer for public agency pooled financings and stand-alone financings in connection with the issuance of over \$9 billion of tax and revenue anticipation notes, \$414 million of pension obligation bonds, nearly \$2.4 billion in asset securitizations, and over \$400 million in water/wastewater revenue bonds and lease revenue bonds.

2. Energy Finance Programs

a) Sustainable Energy Bond Program

CSCDA and the Foundation for Renewable Energy and Environment are teaming together to provide public agencies and nonprofit organizations throughout California with access to tax exempt financing for critical sustainable energy investments.

b) CaliforniaFIRST - Property Assessed Clean Energy Program

CSCDA established CaliforniaFIRST, a multi-jurisdiction Property Assessed Clean Energy ("PACE") program, in 2008. PACE is a financing tool that allows property owners to secure upfront funding for energy and water-saving improvements, which they repay through a voluntary contractual assessment lien on their property tax bill. CaliforniaFIRST is available to commercial and residential property owners. The CaliforniaFIRST residential Program was suspended in 2010 due to FHFA's statement that it would not approve conforming loans for residential home mortgages with PACE assessments. CSCDA recently re-launched the CaliforniaFIRST residential Program in response to the establishment of a mortgage loss reserve program by the State of California.

3. Private Activity Programs

CSCDA has built a successful track record of financing high quality public benefit projects. CSCDA has issued more than \$37 billion for the construction, equipping, rehabilitation, or modernization of 1,905 local, community approved projects since 1988.

CSCDA offers the following Private Activity Programs:

a) 501(c)(3) Nonprofit

Qualified nonprofit organizations can access low-cost, tax-exempt bonds to finance or refinance the acquisition, construction, installation, expansion or rehabilitation of land, buildings, and equipment. A 501(c)(3) nonprofit organization can finance projects at a lower interest rate than conventional financing because the interest paid to bondholders is exempt from federal (and, in some instances, state) income taxes. CSCDA has issued bonds for 311 nonprofit hospitals and medical facilities, 105 continuing care facilities, and 186 educational facilities.

b) Housing Bonds

For-profit and nonprofit developers can access tax-exempt bonds for the financing of low-income multifamily and senior housing projects. The bonds may be used to finance or refinance the acquisition and rehabilitation of an existing project or for the construction of a new project, provided the developer agrees to set aside all, or a portion, of the units in a project for individuals and families of very low, low or moderate income. CSCDA has issued bonds to finance 65,445 affordable housing units for 545 multi-family and 150 senior housing projects.

c) Industrial Development Bonds

Eligible manufacturers can access cost-effective, tax-exempt bond proceeds to acquire, construct or rehabilitate manufacturing facilities that promote job creation and retention. Bond proceeds may also be used for the acquisition of new equipment. CSCDA has issued IDBs for 126 manufacturing facilities.

d) Solid Waste/Other Exempt Facilities

This program offers companies seeking cost-effective, tax-exempt capital to finance the acquisition and rehabilitation, construction of, or the acquisition of new equipment for solid waste and exempt facilities. CSCDA has issued bonds to finance 19 solid waste disposal and alternative energy facilities.

e) Other Private Activity Projects

CSCDA has issued bonds for 173 other projects including research institutes, rehabilitation and various public benefit facilities.

4. New Markets Tax Credit Program

Created by the U.S. Government in 2000 as part of the Community Renewal Tax Relief Act, the New Markets Tax Credit Program ("NMTC") encourages investment in low-income communities. Through the NMTC Program, real estate projects or businesses in a low-income community are able to generate capital by providing investors with a tax credit as an additional incentive for capital investment.

The authority to determine how tax credits are allocated is granted to entities called Community Development Entities (CDEs). CDEs have been certified by the Community Development Financial Institutions Fund (CDFI Fund) of the U.S. Department of the Treasury after completing a rigorous application process and demonstrating their commitment and history of investing capital into low-income communities.

Certified CDEs compete annually to receive awards under the NMTC Program and the CDFI Fund typically designates 70-100 CDEs to receive a NMTC allocation each year. Once awarded, a CDE may sub-allocate NMTC allocation authority to qualified projects or businesses that are aligned with the objectives of the NMTC program. In the last 10 years, the CDFI Fund has awarded \$36.5 billion in tax credit authority to certified CDEs.

CSCDA established a NMTC program through the California Statewide Communities Development Corporation ("CSCDC"), an affiliate Community Development Entity, to facilitate investment in low income communities through the use of New Markets Tax Credits. In 2013, CSCDC was awarded a \$35 million NMTC allocation that was allocated to fund four projects in distressed California communities.

5. Housing Bond Post Issuance Compliance

CSCDA has taken proactive steps to ensure that borrowers of affordable housing bonds who issue tax-exempt bonds through CSCDA are aware of and comply with the post-issuance responsibilities required under the federal tax rules. Rental properties financed with tax-exempt bonds must meet low income set-asides and comply with other requirements for decades after closing, and even temporary non-compliance can put the tax-exempt status of the bonds in jeopardy.

CSCDA strives to position its borrowers to respond to increased scrutiny of affordable housing financings by providing state-of-the-art compliance monitoring procedures and software to allow continuous monitoring of rental properties and ensure that potential problems are identified and resolved quickly. The procedures include the following:

- Quarterly analysis of the income and rent calculations to ensure compliance with federal and state legal requirements
- Quarterly analysis and filing of Certificates of Continuing Program Compliance
- Review, acceptance and electronic filing of all compliance reports
- Electronic filing and access to recorded regulatory agreements for property
- Updates and maintenance to compliance software, compliance status, report history and files accessible through web-based software on a real time basis
- Site visits, file audits and physical property reviews at the time the property is placed in service and at least once every three years after the placed in service date, more frequently where problems arise
- Prompt notification to property owners of exception findings

In an effort to further assist borrowers with post-issuance compliance, CSCDA sends annual reminders and updates to relevant changes in post-issuance compliance requirements to all of its borrowers. The compliance monitoring program consults with members of the finance team, including bond counsel, at the time of bond issuance to determine exactly what responsibilities a borrower has for the term of a particular bond issue.

Upon the issuance of bonds, the issuer and borrower have a significant number of post-issuance responsibilities related to monitoring a bond issue for compliance with federal tax rules for the duration that bonds are outstanding. After issuance, bonds may be outstanding for a few years or several decades, during which time it is critical to ensure all material documents and records are maintained. Further, the Internal Revenue Service ("IRS") recommends that material tax records be retained for the life of a bond issue, plus three years.

A few examples of the many post-issuance compliance responsibilities a borrower may have include:

- Tracking that proceeds of a bond issuance are spent on qualified tax-exempt bond purposes.
- Keeping detailed records of all expenditures and investments related to bond funds.
- Ensuring the project financed is used in a manner consistent with the legal requirements.

 Providing necessary disclosure information regarding financial and operating status annually.

CSCDA's post-issuance compliance program tracks borrowers' compliance with all applicable requirements to enable borrowers to be able to respond to any possible IRS inquiry on a successful and cost-effective basis. In addition, CSCDA's post-compliance services position borrowers with an established program that will effectively judge the possible benefits of future refunding opportunities with this information close at hand.

6. New Programs

CSCDA is seeking an innovative Program Administrator partner that is focused on expanding CSCDA's existing programs, and developing, implementing and growing new CSCDA programs that will provide important public benefits in the cities, counties and the citizens of California.

III. FEE SCHEDULE

A copy of the Authority's current fee schedule is provided below:

California Statewide Communities Development Authority (CSCDA)

General Fee Schedule

	Issuance (Origination) Fee		Annual Administration Fee		
Bond Program	Up to \$20 Million	Over \$20 Million	Fee	Assessed Against	
Housing ¹	0.20% (Min \$15,000)	\$40,000 + 0.125% over \$20 MM	0.05%	Aggregate Principal O/S on interest payment date ²	
501(c)(3) Nonprofit Housing ¹	0.20% (Min \$15,000)	\$40,000 + 0.05% over \$20 MM	0.05%	Aggregate Principal O/S on interest payment date ²	
501(c)(3) Nonprofit	0.20% (Min \$15,000)	\$40,000 + 0.05% over \$20 MM	0.015%	Aggregate Principal O/S on interest payment date ³	
Long Term Municipal	0.15% (Min \$7,500)	\$30,000 + 0.025% over \$20 MM	0.015%	Aggregate Principal O/S on interest payment date	
Tax and Revenue Anticipation Notes	\$3,000	\$5,000 ⁴	none		
Airports/Solid Waste/Exempt Facilities	0.25% (Min \$25,000)	\$50,000 + 0.125% over \$20 M	0.05%	Aggregate Principal O/S on interest payment date	
Taxable	0.25% (Min \$25,000)	\$50,000 + 0.125% over \$20 M	0.015%	Aggregate Principal O/S on interest payment date	
Mello Roos and Special Assessment Bonds ⁵	0.25% (Min \$30,000)	\$50,000 + 0.25% over \$20 M	0.25% + Actual Costs	Aggregate Issuance Amount	
Industrial Development Bonds	\$25,000	N/A	0.10%	Aggregate Principal O/S on interest payment date	

Note: Bond Programs require one \$5,000 Fee Deposit, per borrower, per calendar year which is applied to the issuance fee at closing.

Small Issue Public Benefit Program Fees

	Issuance Fee		А	nnual Administration Fee	
Bond Program	Up to \$3 Million	Over \$3 Million	Fee	Assessed Against	
IDB LBP & EP, Solid Waste EP, Nonprofit	3.00% (Min \$60,000)	2.00%		None	

Note: Small Issue Public Benefit Bond Programs require one \$2,500 Issuance Fee Deposit, per borrower, per calendar year which is applied to the issuance fee at closing.

¹ One-half of the Annual Administration Fee for Housing Bond issuances will be collected at the time of issuance.

In addition, CSCDA reserves the right to collect all issuance fees upfront as a deposit for any bond issuance requiring volume cap allocation.

² Minimum Annual Administration Fee for Housing bond issuances is \$5,000 per project (a \$1,000 annual compliance monitoring fee will replace the existing Annual Administration Fee throughout the CDLAC Compliance Period after the Qualified Project Period has expired).

Projects requiring IRP monitoring will be charged: \$10,000 (in addition to the Annual Administration Fee) for CSCDA issued projects or \$15,000 for non-CSCDA issued projects.

³ Health Facility Financings: Issuance Fee will be capped at \$100,000 and the Annual Administration Fee capped at \$150,000

⁴ The fee for TRANs in excess of \$30 Million is \$7,500.

⁵ Mello Roos issues require all fees + \$20,000 upfront as a deposit.

All income received by the Authority is derived from issuance/origination fees and on-going administration fees. Fees are recognized by the Authority on a cash basis during the fiscal year received. Fiscal years end June 30 of each year. Receipts for the last five years are summarized below:

	2010	2011	2012	2013	2014 ⁽¹⁾
RECEIPTS					
Issuance (Origination) Fees					
Healthcare	176,845	432,003	506,319	188,271	171,000
Higher Education	908		119,755	163,888	95,000
Other 501 (c) 3	412,580	185,000	388,991	408,015	311,000
Qualified Residential Rental Program	413,330	838,240	1,250,004	729,477	1,379,000
SCIP/Mello Roos	92,700	0	137,850	30,000	110,000
Other Municipal Bond Program	235,975	466,392	118,833	138,368	65,000
Total Issuance (Origination) Fees	1,332,338	1,921,634	2,521,751	1,658,019	2,131,000
Bond Administration Fees					
Healthcare				2,309,839	2,147,000
Higher Education				291,697	240,000
Other 501 (c) 3	3,707,656	3,604,988	4,160,990	743,369	612,000
Total 501 (c) 3	3,707,656	3,604,988	4,160,990	3,344,905	2,999,000
Qualified Residential Rental Program	7,365,327	6,938,523	7,556,923	7,223,734	7,109,000
SCIP/Mello Roos	131,965	123,525	128,690	134,060	169,000
Other Municipal Bond Program	442,112	470,867	557,781	503,129	443,000
Total Bond Administration Fees	11,647,060	11,137,903	12,404,384	11,205,828	10,720,000
Deposits and Investment Income	3,062,984	3,753,681	3,338,315	1,199,665	-87,400
OTAL RECEIPTS	16 042 382	16,813,218	18 264 450	14 063 512	12 763 600

⁽¹⁾ Estimated

One hundred percent of the Authority's receipts are allocated each year to cover commissioner expense reimbursements, staff services (executive director, general counsel and issuer counsel), insurance, additional professional services (special counsel, auditor, bank service fees, & miscellaneous services), program management fees, program sponsorship fees (currently paid to the League and CSAC Finance Corporation, on behalf of CSAC) and public benefit contributions. Disbursements for the last five years are summarized below:

	2010	2011	2012	2013	2014 ⁽¹⁾
DISBURSEMENTS					
Commission and Staff Services				87,274	181,700
Management & Sponsorship Fees	12,683,355	12,835,343	14,903,479	12,636,465	11,229,000
Professional Services	420,647	317,521	631,282	430,405	517,500
Public Benefit Contributions	132,795	64,524	129,104	113,923	62,100
Returned Deposits	2,754,895	3,381,923	2,983,611	1,056,897	1,000,000
TOTAL DISBURSEMENTS	15,991,692	16,599,311	18,647,475	14,324,964	12,990,300

⁽¹⁾ Estimated

CSCDA makes no assurances that the receipts from issuance fees and bond administration fees will continue at any level in future years. Under CSCDA's existing agreement with HB Capital Resources, Ltd. ("HB Capital"), CSCDA is obligated to pay to HB Capital the annual administration fee for each project financed during the term of this agreement (which expires on June 30, 2015) for the entire financing term of each such project. HB Capital is obligated to provide on-going administration and management services for these projects for the time it is receiving administration fees.

IV. SERVICES TO BE PROVIDED

While CSCDA's preference is to engage a single firm as its partner to provide all the services listed below, the Authority retains the right to appoint multiple firms to provide services or to manage certain services internally.

1. Public Agency Programs

California Lease Finance Program (CaLease) Statewide Community Infrastructure Program (SCIP) Delinquent Property Tax Funding Program Tax and Revenue Anticipation Note Program Asset Securitizaton Programs

2. Energy Finance Programs

Sustainable Energy Bond Program Commercial CaliforniaFIRST PACE Program Residential CaliforniaFIRST PACE Program

3. Private Activity Bond Programs

501(c)(3) Nonprofit Multi-family Housing Bonds Industrial Development Bonds Exempt Facility/Solid Waste Other Private Activity Projects

4. New Market Tax Credits

5. Housing Bond Post Issuance Compliance

6. New Financing Programs

Single Family Housing Bonds Public Private Partnerships Other Programs (as specified by proposer)

For each program, the Program Administrator is responsible for the following services:

Origination Services:

- Create all marketing materials and serve as primary marketing agent for all CSCDA and CSCDA finance programs to finance professionals and eligible borrowers throughout California.
- Communicate with and provide information to local agencies statewide, in coordination
 with the CSCDA Executive Director, the League, CSAC and CSAC Finance Corporation
 as necessary, and provide additional administrative support necessary to assist the
 Executive Director in the success of the CSCDA Program.
- With respect to the proposed program, create and maintain the CSCDA website to (1) facilitate receipt of online financing requests, (2) provide backend database capabilities to record public benefit information, transaction history, and project fees and deposit tracking, (3) comply with requirements of SB 99 (Chapter 557, Statutes of 2009), and (4) serve as a general marketing and educational tool for all CSCDA programs and policies (including CSCDC, if applicable to the proposal).

- Provide management / oversight of each CSCDA project financing request, including:
 - Review each borrower application for compliance with the Commission's policies and procedures
 - Assist borrowers to apply and complete necessary issuer documents to receive an award of private activity bond volume cap (if applicable)
 - Coordinate all activities of the finance team members of a particular financing, including bond counsel, underwriter, trustee, issuer counsel, and credit enhancement provider
 - Coordinate local TEFRA hearings and approval documents (if applicable)
 - Represent the Commission at TEFRA hearings and state allocation meetings as necessary (if applicable)
 - Make recommendations to the Executive Director and the Commission on all project financing requests based on CSCDA established policies
 - Facilitate post-issuance finance restructuring, workouts, or other necessary
 Commission approvals in accordance with the bond documents
 - Collect and maintain all relevant project finance documents, including bond transcripts, trustee statements, volume cap applications, etc.

On-going Responsibilities:

- Provide management / oversight of all post-issuance compliance matters relative to each CSCDA and CSFA project financing, including:
 - Respond to requests from the IRS and any other local, state, or federal regulatory agency
 - Complete and file transaction activity report with SCO Division of Accounting and Reporting annually
 - Educate all borrowers on all post-issuance requirements and filing deadlines

General Administrative Responsibilities:

- Coordinate Commission meetings of the CSCDA, CSCDC, and CSFA, including:
 - Confirmation of Commission/Board meeting attendance and quorums
 - Prepare Commission/Board Agendas in accordance with Brown Act requirements
 - Confirmation of necessary Commission/Board meeting notice postings
 - Create and maintain online bond document repository for Commission/Board member review
 - Post all Commission/Board meeting agenda, minutes, and staff reports to the CSCDA website
 - Propose CSCDA/CSCDC policy and procedure changes for review and approval by the Executive Director and Commission based on changing market conditions
 - Analyze potential new finance programs, present opportunity and implement at the direction of the Executive Director and Commission as necessary
 - Respond to public records requests in coordination with General Counsel and the Executive Director
 - Engage outside legal counsel, financial advisors, or consultants at the direction of the Executive Director and Commission. as necessary
 - Manage annual financial audit of the CSCDA for review by the Executive Director and approval by the Commission/Board. Responsible for distribution to

- State Controller's Office and all 500+ CSCDA Program Participants as required by the JPA.
- Manage collections of all CSCDA and CSCDC issuance and administrative fees, including working with all trustees and private borrowers to ensure timely collection of amounts due and follow up on amounts delinquent.
- Manage trustee's (currently U.S. Bank) disbursement of fees and provide an accounting of all fees collected on behalf of the Commission
- Manage CSCDA's insurance and bonding requirements
- Communicate and coordinate management responsibilities with the Executive Director
- Coordinate closely with the LCC, CSAC and CSAC Finance Corporation in the provision of their sponsorship and administrative responsibilities, including legislative advocacy on behalf of CSCDA.
- Administer the collection and dissemination of all reports required to be filed with the State of California Fair Political Practices Commission on behalf of CSCDA's staff, CSCDA's Commissioners and the Program Manager's staff.
- Provide from its own revenues compensation, benefits, and travel expenses to all staff dedicated to the contract and pay for all overhead and contract administration costs.

New Markets Tax Credits:

- For New Markets Tax Credits, establish CSCDC protocols and processes for NMTC investment activity, including project intake, project evaluation and selection, project underwriting, investment committee review and approval, CSCDC Advisory Board review and approval, NMTC financial closing procedures, and project hand off from CSCDC investment staff to CSCDC asset management staff. The NMTC Manager will also be responsible for the following activities:
 - Sourcing all NMTC transactions and manage the financing process from project intake through closing
 - Serving as liaison with the U.S. Treasury Department in connection with CSCDC's status and tax credit allocations
 - Coordinate with CSCDC's Advisory Board and the CSCDA Executive Director.
 - Manage project underwriting consultants
- Provide management / oversight of all post-issuance compliance matters relative to the CSCDC New Markets Tax Credit Program, including:
 - Select, retain, manage, and evaluate on behalf of CSCDC all outside consultants, attorneys, accountants and other professionals providing services to CSCDC
 - Continue to liaise with the U.S. Treasury Department in connection with CSCDC's status and future tax credit allocations
 - Coordinate all tax, audit, compliance, and asset management procedures with internal staff and outside consultants
 - Provide ongoing marketing activities including engagement with banks, tax credit investors, consultants and advisors
 - Cultivating and recommending projects that have the highest and best probability of supporting future allocations for CSCDC in light of the highly competitive process

- Lead and manage a team of attorneys, consultants and lenders to pursue subsequent year NMTC applications
- Manage asset management, loan servicing, reporting and compliance for all projects

CSCDA Housing Compliance Services:

- Create¹ and maintain CSCDA compliance website to provide real-time analysis of restrictive covenants for more than 600 CSCDA affordable housing projects, including backend database capabilities to record site visit history and property management reporting.
 - Ensure compliance with federal, state, and local income and rent limits relative to over 600 affordable housing CSCDA project financings, including tenant file reviews and project site visits
 - Collect and submit the CDLAC Certificate of Compliance for each of the 600 housing projects annually, including confirmation of other promised public benefits (i.e. free high speed internet, educational classes, etc.)

V. PROPOSAL CONTENT

For each category of services described above, please provide responses to the information requested below. Proposers should specify the CSCDA Programs it is proposing to serve as either Program Originator or as ongoing Program Administrator.

1. Proposing Firm and Personnel

Identify the name of the proposing firm, the division(s) of the firm that will be providing the services and the mailing addresses of the offices. Provide a chart that identifies the names, titles, transaction roles, office locations (city names), telephone numbers and e-mail addresses for the representatives who will be assigned to the particular CSCDA management function. Indicate what role each person will perform including identification of the person who will serve as the primary contact to the CSCDA for the particular service. Provide brief resumes for personnel who will be available to work on CSCDA matters.

2. Experience with Each Financing Program

Include a list of your firm's experience, or comparable experience, with each financing program proposed, identifying the role of the firm, personnel involved in each transaction and a breakdown of the origination and ongoing management fees associated with each transaction. Please provide case study descriptions of programs recently managed by your firm and describe unique management approaches for the transactions.

¹ CSCDA's current Housing Compliance Services are provided to CSCDA by HB Capital. The underlying technology for CSCDA's Housing Compliance Services is proprietary and owned by HB Capital. To the extent a new Program Manager wishes to provide Housing Compliance Services, the new Program Manager will be required to create new technology.

3. Management Plan

If applicable, please develop an overall management plan for the transition of the Authority's Program Manager that covers the categories detailed below.

a. Implementation

Identify a plan to transition the services your firm will provide to CSCDA identifying all team members required to transition the required services.

b. Timeline

Provide a detailed timeline to transition the services for the proposed program.

4. Marketing Plan

Provide the Authority with a summary of your firm's plans to expand CSCDA's current programs and identify new opportunities CSCDA should consider.

Provide your views on the current management and marketing of CSCDA's programs.

5. Term of Agreement

Identify the minimum term necessary to meet the objectives of this RFP with a maximum term of three (3) years, however the Commission is willing to consider proposals to provide an option to extend the term based on satisfactory performance. Explain any proposed notice and grounds necessary to terminate the agreement either for cause or without cause by either party and the process and terms under which the duties under the agreement will be transferred to a successor party.

6. Fee Proposal

Please provide a detailed fee proposal for origination and annual administration services for each program included in the firm's proposal. Fees may be represented as a percentage of fees generated based on the fee schedule included in Section III of this RFP or in any manner proposed by the respondent. The fee proposal shall include all costs incurred by the firm in performing the contract. These fees also will compensate the firm for all new program development responsibilities. Proposals also should address whether CSCDA should devote a portion of the net fee revenue to provide rebates to members of the League and CSAC and what portion of fee revenue should be reserved for this purpose. Proposals also should address how the sponsorship fees provided to the League and CSAC Finance Corporation, on behalf of CSAC, can be expanded during the term of the contract.

California Statewide Communities Development Authority (CSCDA) Program Manager Fee Proposal

	Origination	Annual Administration
1. Public Agency Programs		
California Lease Finance Program (CaLease)		
Statewide Community Infrastructure Program (SCIP)		
Delinquent Property Tax Funding Program		
Tax and Revenue Anticipation Note Program		
Asset Securitizaton Programs		
2. Energy Finance Programs		
Sustainable Energy Bond Program		
Commercial CaliforniaFIRST PACE Program		
Residential CaliforniaFIRST PACE Program		
3. Private Activity Bond Programs		
501(c)(3) Nonprofit		
Multi-family Housing Bonds		
Industrial Development Bonds		
Exempt Facility/Solid Waste		
Other Private Activity Projects		
4.32 34 3 77 0 39		
4. New Market Tax Credits		
5. Housing Bond Post Issuance Compliance		
6. New Financing Programs		
Single Family Housing Bonds		
Public Private Partnerships		
Other Programs (as specified by proposer)		

6. References

Provide contact information for at least three public client references for each person on the proposer's management team. References may be the same for individual team members.

VI. GENERAL RFP INSTRUCTIONS

1.	Revised RFP Time-Schedule			
	The Authority's expected RFP schedule	e, which may beis subject to change, is detailed below:		
I	• Draft RFP Posted to CSCDA Website	May 2, 2014		
I	• Comments on RFP due to Executive Director	5:00 PM May 7, 2014		
	Original RFP Approved by CSCDA Commission and posted on CSCDA website	May 8, 2014		
	• Seven (7) Copies of <u>Original</u>			Formathada Forta Timora 10 et
	Proposals and a PDF copy			Formatted: Font: Times, 10 pt
	(by e-mail) due	June 24, 2014		Formatted: Colorful List - Accent 11
	Original Proposals reviewed	July 2014		
	and ranked by August 1, 2014			Formatted: Font: Times, 10 pt
	by Evaluation Panel			Formatted: Colorful List - Accent 11
	Original Interviews	AugustJuly 2014		Formatted: Indent: Left: 0.5", Tab stops:
	Program Manager(s) SelectedAmer	nded and Restated REP	`	-0.19", Left + Not at 0" + 0.5"
	Approved by CSCDA C			Formatted: Indent: Left: 0.5", No bullets or numbering, Tab stops: -0.19", Left + 0.5", Left + Not at 0" + 0.25" + 0.75" + 1"
	Agreement(s) Negotiated	September 2014		
	• Seven (7) Copies of Proposals and a PDF copy (by e-mail) due	October 3, 2014		
	Interviews and Negotiations	October & November 2014		
	• Agreement(s) approved by CSCDA Board of Commissioners	October 9, December 2014		
2.	Contact with CSCDA Staff and Com	missioners		

Proposing firms and individuals shall <u>not</u> contact CSCDA Commissioners, CSAC staff, CSAC Finance Corporation staff or League staff directly regarding this RFP. Proposing

firms must direct any questions to Catherine Bando, CSCDA Executive Director, at catherinebando@me.com or (213) 700-4137, at anytime during the RFP Process.

3. Submission Procedures

Seven hard copies of proposals must be delivered by 12:00 PM (Pacific Time) on Tuesday, June 24Friday, October 3, 2014 to:

Catherine Bando, Executive Director,
California Statewide Communities Development Authority
c/o The League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814
(Telephone number for delivery purposes is (916) 658-8200)

A PDF copy of the proposal must be sent to Catherine Bando at <u>catherinebando@me.com</u> by 12:00 PM (Pacific Time) on <u>Tuesday</u>, <u>June 24Friday</u>, <u>October 3</u>, 2014.

While not required, firms that submitted proposals under the Original RFP that was due on June 24, 2014 may, at their option, make revisions to their original proposal. If no revision is received from the original proposers, the terms of each proposer's original proposal will continue to be be considered. Seven copies plus an e-mailed PDF copy of resubmitted proposals must be received by 12:00 PM (Pacific Time) on Friday, October 3, 2014 using the delivery instructions stated above.

The Authority is not responsible for any expense incurred by any responder in preparing or submitting a proposal, providing any additional information requested or attending a scheduled interview.

There is no guarantee that the submission of a proposal will result in an award of a contract to serve as Program Administrator for all or any portion of the services requested.

All material submitted in response to the RFP will become the property of CSCDA and, as such is subject to the Public Records Act.

CSCDA reserves the right to modify the selection procedures, follow an alternative procedure, or to reject all proposals and make no selection.

4. Evaluation Process

Proposals will be reviewed and ranked by an Evaluation Committee. The firms or individuals that are being considered for all or a portion of the Program Administrator services that are ranked the highest <u>may</u> be interviewed during the month of August, 2014 or such other time that may be selected by CSCDA. The evaluation criteria are listed below in order of importance:

• The experience and qualifications of the individuals proposed for the engagement

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- The firm's or individual's understanding of CSCDA's Programs
- The firm's capacity and ability to partner with the two program sponsors, CSAC and the LCC, and the CSAC Finance Corporation, in advancing the effectiveness of CSCDA, developing innovative programs and services for its members, and achieving tangible public benefit for the people of California.
- The firm's or individual's proposed management and marketing plans for CSCDA Programs
- The fees proposed for the services requested. Although the costs of the requested services are an important criterion for selection, the Authority may select a firm whose proposed fees are higher than the fees proposed by other firms if it determines that the experience, qualifications and understanding of CSCDA's programs warrant the additional expense.







AGENDA OF THE MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

September 23, 2014 10:00 a.m. California State Association of Counties 1100 K Street, 1st Floor Sacramento, California

County of Monterey 168 West Alisal Street Salinas, CA 93901 County of Yuba 915 8th Street, Suite 103 Marysville, CA 95901

City of Portola Valley 765 Portola Road Portola Valley, CA 94028

- I. Call the roll (alternates designate which member they are representing).
- II. Approve the minutes of the August 7, 2014 meeting.
- III. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:
 - a. Approve (i) a sub-allocation of \$10,500,000 to CSCDC 5 LLC for the financing of the Big Brothers Big Sisters of Orange County (BBBSOC) headquarters project, City of Santa Ana, California; (ii) an equity investment of \$10,500,000 into CSCDC 5 LLC by an affiliate of U.S. Bancorp Community Development Corporation in advance of the closing of the Big Brothers Big Sisters of Orange County financing; and (iii) the making of qualified low income community investments for BBBSOC QALICB, Inc.a California nonprofit public benefit corporation.
 - b. Approve (i) a sub-allocation of \$10,000,000 to CSCDC 6 LLC for the financing of the Butte Regional Transit Operations Center project (BRTC), City of Chico, California; and (ii) an equity investment of \$10,000,000 into CSCDC 6 LLC by an

This	_ page agenda was posted at 1100 K Street, Sacramento, California on	, 2014 at: _	<u></u> m
Signed _	Please fax signed page to (925) 933-8457.		

affiliate of	JPMorgan	Chase	Bank,	N.A.	in	advance	of	the	closing	of	the	BRTC
financing.												

- c. Approve (i) a sub-allocation of \$8,500,000 to CSCDC 7 LLC for the financing of the Open Door Community Health Centers, all locations of which are in California; and (ii) an equity investment of \$8,500,000 into CSCDC 7 LLC by an affiliate of U.S. Bancorp Community Development Corporation in advance of the closing of the ODCHC financing.
- IV. Consider resolution approving the filing of an application requesting an allocation of New Markets Tax Credits
- V. Staff Updates.
- VI. Public Comment.
- VII. Adjourn.

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

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Signed _	Please fax signed page to (925) 933-8457.		

MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION (CSCDC)

California Association of Counties 1100 K Street, Sacramento, California

August 7, 2014

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:21 am.

I. Roll call

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

CSCDA Executive Director, Catherine Bando participated by conference telephone.

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

II. Approval of minutes—July 17, 2014

The board approved the minutes for the meeting held July 17, 2014.

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

III. Approve additional authorized signatories

Due to time sensitive execution of important documentation relating to the \$38,000,000 allocation in New Markets Tax Credits, staff is requesting that the following signers be authorized to execute these documents: (Catherine Bando, Norman Coppinger, Nancy Parrish, Laura Labanieh Campbell, Mike LaPierre and Scott Carper).

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

IV. Approve: (i) Resolutions authorizing execution of an Allocation Agreement with the CDFI Fund to receive \$38,000,000 in New Markets Tax Credits; (ii) Unanimous Written Consent of Members of Subsidiary Allocatees; and (iii) Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees

This item was approved during the last meeting on July 17, 2014, but an important issue has arisen. With regard to the CDFI Fund, only one representative may be authorized as the signer for a CDE. Catherine Bando was designated as the representative. However, the allocation agreement will be coming out next week and must be executed by August 15. Because Catherine will be out of the country and unable to sign, staff recommends that Scott Carper be approved as the authorized representative so the documents can be signed before the hard expiration date (Aug 15).

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

V. Public comment

None.

VI. Adjournment

Commission Chair Larry Combs adjourned the meeting at 10:27 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION SUMMARY AND APPROVAL

DATE: SEPTEMBER 23, 2014 **BORROWER:** BBBSOC QALICB, INC.

PURPOSE: APPROVE (I) A SUB-ALLOCATION OF \$10,500,000 TO CSCDC 5 LLC BIG BROTHERS BIG

SISTERS OF ORANGE COUNTY NEW HEADQUARTERS, CITY OF SANTA ANA, CALIFORNIA; (II) AN EQUITY INVESTMENT OF \$10,500,000 INTO CSCDC 5 LLC BY AN AFFILIATE OF U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION IN ADVANCE OF THE CLOSING OF THE BIG BROTHERS BIG SISTERS OF ORANGE COUNTY FINANCING; AND (III) THE MAKING OF \$10,185,000 IN QUALIFIED LOW INCOME COMMUNITY INVESTMENTS BY CSCDC 5 LLC TO BBBSOC QALICB, INC. IN

SANTA ANA, CALIFORNIA

LEGAL STRUCTURE: CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Big Brothers Big Sisters of Orange County, Inc. ("BBBSOC" or "Sponsor"), founded in 1958, is an affiliate of Big Brothers Big Sisters of America. BBBSOC has a 56-year track record of serving children facing adversity with one-to-one mentoring relationships, and currently serves over 2,500 children in Orange County and the Inland Empire with the support of its 47 employees and over 1,600 volunteers. BBBSOC's goal is to change the lives of children for the better and forever, in order to positively impact the socioeconomic status of communities with high levels of severe poverty.

Project:

BBBSOC is currently grossly over capacity in its existing location (an 8,900 SF building in Tustin), and has had to cease making matches and delay hiring of new employees until a larger physical location is available to handle additional employees and volunteers. BBBSOC has had to resort to expensive, short-term rental solutions that do not meet it programmatic needs. BBBSOC believes that there is a target audience of 200,000 – 300,000 children it can service in the Orange County area, and believe that it can reasonably scale up to serving 10,000 children in Orange County in the next 5-10 years with the right infrastructure.

BBBSOC is seeking NMTC financing to allow for its purchase and renovation (primarily tenant improvements) of an existing 52,565 SF office building (the "Project") located within a highly distressed census tract in Santa Ana, California. BBBSOC believes that the Project's new location in Santa Ana, while only a few miles away from its current location, will create increased visibility and a heightened sense of trust in the community, resulting in higher enrollment in BBBSOC's programs. Additionally, it offers easy bus access and convenient, quick freeway access and additional parking space for its volunteers.

The renovated building will serve as the new headquarters for BBBSOC, which intends to occupy 52% of the building, and lease out the remaining 48%, providing an opportunity for BBBSOC to build equity value and ultimately support its programming and growth. With the new location, BBBSOC will occupy triple

the space it currently uses to expand services to over 10,000 children and hire 29 additional permanent FTE jobs over the next 7 years to support this growth.

NMTC Financing:

BBBSOC will be seeking \$10,500,000 in New Markets Tax Credit ("NMTC") allocation from CSCDC to assist with the financing of the Project. Twain Investment Fund 19, LLC (the "Investment Fund"), an entity wholly owned by U.S. Bancorp Community Development Corporation ("USBCDC") will be making a \$10,500,000 qualified equity investment ("QEI") in CSCDC 5 LLC in anticipation of CSCDC 5 LLC providing qualified loan income community investment ("QLICI") financing to BBBSOC QALICB, Inc. in connection with the Project.

BBBSOC intends to use the proceeds of a NMTC financing to construct the Project, utilizing the following sources of funding: (i) loan proceeds provided by Farmers & Merchants Bank ("F&M", in the amount of \$4,400,000), (ii) a Sponsor loan in the amount of \$2,583,300, (iii) a capital contribution from the Sponsor in the amount of \$321,000, and (iii) \$10,500,000 of NMTC allocation from CSCDC which will result in \$4,095,000 of NMTC equity.

Community Impacts:

Once the Project is renovated, the expectation is that many new clients will come from Santa Ana itself, where a large number of existing and potential clients reside. BBBSOC expects to see long term results in the socioeconomic status of Santa Ana and in Orange County in general as children achieve higher high school graduation and college enrollment rates, better paying jobs, and create a break in the cycle of poverty and instability in the lives of low-income people.

The Project is expected to result in the following community impacts:

- <u>Job Creation:</u> The rehabilitation of the building will result in 21 temporary construction jobs. BBBSOC will relocate its 47 permanent employees to the new location. With the expanded headquarters, BBBSOC projects that it will create an additional 29 permanent FTE jobs over the next 7 years (approximately 4-5 FTEs per year).
 - Of the current 47 employees, 86% are women, 84% are ethnic minorities, and 39% are from local low-income areas; BBBSOC expects its new hiring to be consistent with these characteristics.
 - O BBBSOC also provides student internships jobs to approximately 10-15 interns from local colleges and universities (over and above the 29 FTE jobs projected).
- Quality of Jobs: All positions both retained and new provide salaries ranging from \$37,000 to \$100,000, and include generous health care benefits, retirement plans, and life and disability insurance options. Additional benefits include professional coaching and a 50% discount on higher education with a local university.
- Community Goods or Services to Low-Income Communities: BBBSOC intends to grow from providing services to 2,000 local children in Santa Ana and surrounding cities to up to 10,000 children in Orange County within 10 years. BBBSOC provides community and school-based mentoring programs for children who need this most, including those living in single parent homes, growing up in poverty and coping with parental incarceration. BBBSOC's programs have had demonstrated results on the lives of its youth participants, including the areas of educational attainment, family income security and safety, gang membership and juvenile delinquency, substance

abuse, truancy, and obesity prevention. Following are just a few representative statistics showing the results of BBBSOC programs.

- O Educational Attainment. Almost all of the youth served by BBBSOC through Grade 12 graduate high school on time (98%+ average over the past 3 years). In comparison, the communities from which the youth come average less than a 55% high school graduation rate. Of the June 2014 graduates, 83% enrolled in college; 100% of these said that their adult mentor was the biggest influence in their decision to go to college.
- O Gang intervention: BBBSOC has a formal partnership with Orange County Gang Reduction Intervention Partnership (GRIP), and works closely with the Santa Ana Police Department, the Orange County DA's Office, and targeted schools in Santa Ana to interview with youth at risk for becoming involved in a gang or other forms of juvenile delinquency. Approximately 10% of youth served in Santa Ana are referred by GRIP. Of children in BBBSOC's program who have been identified as particularly high risk for gang activity, none has joined a gang, and 97% have reported that they have refrained from gang membership and violent activities as a direct result of BBBSOC mentoring.
- O <u>Substance abuse</u>. Little brothers and sisters were found to be 46% less likely to start using illegal drugs than non-mentored youth, and 27% less likely to use alcohol.
- Commercial Goods or Services to Low-Income Communities: The new BBBSOC building includes a number of existing tenants, who will continue to lease space from BBBSOC. The majority of the current tenants cater to a predominantly Hispanic, low-income constituency (a work injury medical group, a chiropractic office, a construction and architecture firm, a medical supply distributor). As vacancies occur, BBBSOC will seek other prospective tenants to occupy open space, and will strive to serve as an incubator for other young nonprofits in the county that it has begun to identify.

Advisory Board Approval:

On July 2, 2014, CSCDC's Advisory Board unanimously recommended approval of the Project.

Finance Team:

• Tax Credit Investor: U.S. Bancorp Community Development Corporation

Investor Counsel: Husch Blackwell LLP, St. Louis, MO
 CSCDC Counsel: Nixon Peabody LLP, Washington DC

Borrower Counsel: Bocarsly, Cowan, Esmail & Arndt LLP, Los Angeles, CA

Estimated Sources and Uses:

Sources			Uses		
Farmers & Merchants Bank of Long Beach Loan	\$	4,400,000	Leverage Loan	\$	6,983,30
Existing Building Sales Proceeds	-	1,500,000	Farmers & Merchants Loan Closing Costs		20,00
Capital Campaign/Cash on hand		1,424,300	Contribution to QALICB		321,00
Total	\$	7,324,300	Total	\$	7,324,30
ment Fund					
Sources			Uses		
Leverage Loan - BBBSOC, Inc.	\$	6,983,300	CSCDC QEI	\$	10,500,00
NMTC Equity		3,521,700	Fund Management Fee		5,00
Total	\$	10,505,000	Total	\$	10,505,00
C Sub CDE					
Sources			Uses		
CSCDC QEI		\$10,500,000	CDE Upfront Fee	\$	315,00
			QLICI Loan A	\$	4.400.00
			QLICI Loan B		5,785,00
Total	\$	10,500,000	Total	*\$	10,500,00
CB					
			Uses		
Sources QLICI Loan A	\$	4,400,000	Upfront Ground Lease Payment	\$	7,000,00
QLICI Loan B	Ψ	5,785,000	Agency Area Build out/Tenant Improvements	Ψ	1,033,40
QEIOI EGUII B		0,700,000	Roof, A/C,Bathrooms		695,00
BBBSOC, Inc. Contribution	\$	321,000	Parking Lot		60,000
	1	,	Permitting		15,00
					46,00
			Architectural Services		
			Engineering Services		
					15,00
			Engineering Services Project Management Signage		15,00 15,00
			Engineering Services Project Management		15,00 15,00 20,00
			Engineering Services Project Management Signage		15,00 15,00 20,00 35,00
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture		15,00 15,00 20,00 35,00 10,00
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance		15,000 15,000 20,000 35,000 10,000 175,00 5,000
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous		15,00 15,00 20,00 35,00 10,00 175,00 5,00
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous Owner's Contingency		15,00 15,00 20,00 35,00 10,00 175,00 5,00 15,00 100,00
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous		15,00 15,00 20,00 35,00 10,00 175,00 5,00
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous Owner's Contingency Lease Up Reserve CSCDC Underwriting Fee		15,00 15,00 20,00 35,00 10,00 175,00 5,00 100,00 345,00 118,12
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous Owner's Contingency Lease Up Reserve CSCDC Underwriting Fee CSCDC Origination Fee		15,00 15,00 20,00 35,00 10,00 5,00 15,00 100,00 345,00 118,12 91,87
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous Owner's Contingency Lease Up Reserve CSCDC Underwriting Fee CSCDC origination Fee CSCDC 5 LLC AM Fee Paid at Closing		15,00 15,00 20,00 35,00 10,00 175,00 5,00 100,00 345,00 118,12
			Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous Owner's Contingency Lease Up Reserve CSCDC Underwriting Fee CSCDC origination Fee CSCDC 5 LLC AM Fee Paid at Closing CSCDC 5 LLC Fee and Expense Reserve		15,00 15,00 20,00 35,00 10,00 175,00 5,00 15,00 100,00 345,00 118,12 91,87 12,36
		10,506,000	Engineering Services Project Management Signage IT Relocation, cabling, wiring, equipment BBBSOC Tenant Relocation Allowance Furniture AV & Equipment Miscellaneous Owner's Contingency Lease Up Reserve CSCDC Underwriting Fee CSCDC origination Fee CSCDC 5 LLC AM Fee Paid at Closing		15,00 15,00 20,00 35,00 10,00 5,00 15,00 100,00 345,00 118,12 91,87

Approvals:

Based on the overall finance related considerations and community benefits associated with the Project, the Directors of CSCDC shall approve the Resolution (in the form of Attachment 1) as submitted to the Directors, which:

- 1. Approves the sub-allocation of \$10,500,000 in NMTCs and receipt of an equity investment in connection therewith;
- 2. Approves all necessary actions and documents in connection with the QEI closing;
- 3. Approves all necessary actions and documents in connection with the Project financing; and
- 4. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION SUMMARY AND APPROVAL

DATE: SEPTEMBER 23, 2014

BORROWER: BUTTE REGIONAL TRANSPORTATION CORPORATION

PURPOSE: APPROVE (I) A SUB-ALLOCATION OF \$10,000,000 TO CSCDC 6 LLC FOR THE

FINANCING OF THE BUTTE REGIONAL REGIONAL TRANSPORTATION, CORPORATION CITY OF CHICO, CALIFORNIA; AND (II) AN EQUITY INVESTMENT OF \$10,000,000 INTO CSCDC 6 LLC BY AN AFFILIATE OF JPMORGAN CHASE BANK, N.A. IN

ADVANCE OF THE CLOSING OF THE BRTC FINANCING.

LEGAL STRUCTURE: 501(C)3 NONPROFIT CORPORATION

Background:

Butte Regional Transportation Corporation ("BRTC") is a newly formed 501(c)3 entity organized to increase mobility throughout Butte County, where access to adequate transportation is considered a primary barrier for low-income persons to access opportunities for employment, healthcare, education, and healthy food. There are approximately twenty small nonprofits that offer transportation and outreach services to geographically isolated and at-risk populations in Butte County. BRTC will run a transportation network that consolidates all of these individual efforts with those of Butte County.

BRTC's directors are the executives of the Butte County Association of Governments (BCAG). BCAG is an association of all the local governments within Butte County. Its members include the cities of Biggs, Chico, Gridley, Oroville, the Town of Paradise and the County of Butte. BCAG has sponsored over \$200M in transportation-affiliated projects throughout Butte County. As a Joint Powers Authority comprised of a number of regional agencies, BCAG is responsible for the development of transportation plans, programs, and projects. BCAG also serves as a forum to study transportation issues impacting the region, and to implement multi-stakeholder, community-based solutions. BRTC's new Operations Center (the Project) is one of 13 development projects currently sponsored by BCAG.

Project:

Butte Regional Transit has been expanding with more vehicles and routes being added as needed and can be supported based upon current funding and revenue. The current maintenance facility has become outdated and is significantly undersized based upon the consolidation of all transit systems in the County that was completed in 2005. Since 2005, Butte Regional Transit's contractor has been trying to manage the increased fleet size and staff needed to run and maintain the system.

Currently, Butte Regional Transit and several independent nonprofit social service agencies operating their own fleet networks are operating out of several separate sites. Consolidating operations and centralizing staff will streamline operating costs, which is critical for the long-term sustainability of the various providers and the expansion of Butte Regional Transit's critical services.

The \$29M Project involves acquisition of a 7.5 acre site and construction of a new and expanded Operations Center, which will be located adjacent to a new administration building for BCAG (being built on a timeline simultaneous to the BRTC project). BCAG will provide substantial resources to the Project, including use of its facilities, operations and staffing assistance, and shared staff and visitor parking. The Project will serve as a transit maintenance and operations center, and will consolidate operations currently being performed across multiple sites, including: a centralized fueling station; reduction in fleet operation and storage costs; joint training of mechanics, drivers and dispatch operators; and bulk purchasing and service contracts for BRTC and BCAG.

The new 21,000 SF Operations Center will include six repair bays, shop areas, parts storage, and a mechanical equipment room in addition to office and support space. The Project will also include structures for vehicle fueling, vehicle wash, emergency generators, and recycling/waste removal, as well as the repurposing of the existing BRTC building into a community resource building.

In early 2011, the Project received \$19.8M in Federal Transit Administration (FTA) grants and is scheduled to break ground in the fall of 2014. Offsite improvements will commence in July 2014, with onsite work beginning in September/October 2014.

In partnership with BCAG, the proposed Project will assist the efforts of BRTC to work with community-based outreach programs, care providers, job training programs, and transportation service providers to offer improved transportation and outreach services to geographically isolated and at-risk populations in Butte County. The Project and services offered will allow more frequent and reliable access to and from existing and planned multi-use developments in the Cities of Chico, Oroville, Paradise, Biggs and Gridley.

Request for Sub-Allocation/QEI Investment:

BRTC will be seeking \$10,000,000 in New Markets Tax Credit ("NMTC") allocation from CSCDC to assist with the financing of the Project. A to-be-formed entity ("Investment Fund"), which shall be an affiliate of JPMorgan Chase Bank, N.A, and/or Chase Community Equity, LLC (together, "Chase"), as investor member, will be making a \$10,000,000 qualified equity investment ("QEI") in CSCDC 6 LLC in anticipation of CSCDC 6 LLC providing qualified loan income community investment ("QLICI") financing to BRTC in connection with the Project. The closing of the QLICI financing is anticipated to occur in late November or early December, 2014, based on overall transaction approval from the FTA as their grants will be used to fund certain portions of the Project.

In advance of submitting an application to the Community Development Financial Institutions Fund for an additional allocation of NMTC authority on or before October 1, 2014 (the "Round 12 Application"), CSCDC has requested that Chase authorize the Investment Fund to make its \$10.000,000 QEI in advance of securing final approvals for the Project's financing (the "QEI Closing"). CSCDC has made this request because it believes it is advantageous to be able to reflect in its Round 12 Application that it has been successful in issuing QEIs with the allocation it received in the 2013 allocation round. The requested QEI Closing provides an unwind mechanism in the unlikely event that the Project or any replacement projects were unable to close within a specified period of months after the QEI Closing.

It is anticipated that the Project will be brought back to the Board for final approval of the QLICI financing within the next 60 days.

Approvals:

The Directors of CSCDC shall approve the Resolution (in the form of Attachment 1) as submitted to the Directors, which:

- 1. Approves the sub-allocation of \$10,000,000 in NMTCs and receipt of an equity investment in connection therewith;
- 2. Approves all necessary actions and documents in connection with the QEI closing; and
- 3. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION SUMMARY AND APPROVAL

DATE: SEPTEMBER 23, 2014

BORROWER: OPEN DOOR COMMUNITY HEALTH CENTERS

PURPOSE: APPROVE (I) A SUB-ALLOCATION OF \$8,500,000 TO CSCDC 7 LLC FOR THE FINANCING

OF THE OPEN DOOR COMMUNITY HEALTH CENTERS, CITY OF ARCATA, CALIFORNIA; AND (II) AN EQUITY INVESTMENT OF \$8,500,000 INTO CSCDC 7 LLC BY AN AFFILIATE OF U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION IN

ADVANCE OF THE CLOSING OF THE ODCHC FINANCING.

LEGAL STRUCTURE: CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Open Door Community Health Centers ("ODCHC"), founded in 1971, is a non-profit primary health care system with nine locations in Humboldt and Del Norte Counties. ODCHC's mission is to provide quality health care services to the medically underserved populations of its primarily non-metropolitan (rural) communities. SCHS is a designated Federally Qualified Health Center (FQHC) that provides services to all persons, regardless of their ability to pay.

Project:

For many years, ODCHC has been growing its capacity to meet a largely unmet demand for services for underserved populations in its communities. Currently, ODCHC is the primary healthcare provider for approximately one of every four people in its service area beginning at the Oregon border and extending 100 miles south along the Northern California coastline and inland for at least 45 miles.

The demand for ODCHC's services has increased significantly in recent years, and has been exacerbated by two recent external forces: 1) a reduction of the number of private physicians in the community due to retirement (a large portion of the population has now turned to ODCHC for their care, straining a system that is already dealing with capacity issues); and 2) the impact of the Affordable Care Act (which has expanded eligibility for Medicaid to a larger population). The demand for ODCHC's services has increased to a point where communities are now pleading with them to build new clinics and expand its presence. To help meet the increasing demand, ODCHC intends to acquire at least one private practice in the Eel River Valley. At least two other practices have expressed interest in joining as well.

ODCHC also intends to start construction on two new facilities in the next 24 months to help meet this demand. Two philanthropic foundations in Fortuna are working with ODCHC to bring a new clinic to their city. The foundations are willing to provide resources in the form of land and cash to make this happen. ODCHC also recently gained site control on a property in Arcata, on which it hopes to develop another new clinic, breaking ground in late 2015. Both the Arcata property and the targeted Fortuna property are located in highly distressed, non-metropolitan NMTC census tracts

The NMTC financing will allow ODCHC to repay two existing loans from Umpqua Bank totaling \$7.27M, which were used to finance the construction and equipping of ODCHC's new clinic in Eureka in December 2012, thus freeing up their debt capacity for the abovementioned new facilities. The 27,500 SF facility provides family practice services, behavioral health counseling and support, opiate dependency treatment, diabetes education, nutritional counseling and women's health services. By opening the Eureka clinic, ODCHC has been able to increase by 50% the health services that it provides in Eureka, and currently provides more than 20,000 medical and behavioral health visits to nearly 5,500 patients each year.

The Umpqua Bank loan is now coming due and ODCHC would like to repay it with a new \$5.6M permanent leverage loan and NMTC subsidy. By leveraging the \$5.6M loan through a NMTC structure, ODCHC will be able to generate sufficient subsidy to repay the Umpqua loans, and to cover CDE fees, reserves and transaction closing costs.

Request for Sub-Allocation/QEI Investment:

ODCHC will be seeking \$8,500,000 in New Markets Tax Credit ("NMTC") allocation from CSCDC to assist with the financing of the Project. Twain Investment Fund 23, LLC (the "Investment Fund"), an entity wholly owned by U.S. Bancorp Community Development Corporation ("USBCDC") will be making a \$8,500,000 qualified equity investment ("QEI") in CSCDC 7 LLC in anticipation of CSCDC 7 LLC providing qualified loan income community investment ("QLICI") financing to ODCHC in connection with the Project. The closing of the QLICI financing is anticipated to occur in mid-late October, 2014, based on approval of a leverage loan from Northern California Communities Loan Fund and Nonprofit Finance Fund, as well as overall transaction approval from the Federal Department of Health and Human Services (HRSA) as a capital grant was provided to ODCHC for construction of the Eureka clinic.

In advance of submitting an application to the Community Development Financial Institutions Fund for an additional allocation of NMTC authority on or before October 1, 2014 (the "Round 12 Application"), CSCDC has requested that USBCDC authorize the Investment Fund to make its \$8,500,000 QEI in advance of securing final approvals for the Project's financing (the "QEI Closing"). CSCDC has made this request because it believes it is advantageous to be able to reflect in its Round 12 Application that it has been successful in issuing QEIs with the allocation it received in the 2013 allocation round. The requested QEI Closing provides an unwind mechanism in the unlikely event that the Project or any replacement projects were unable to close within a specified period of months after the QEI Closing.

It is anticipated that the Project will be brought back to the Board for final approval of the QLICI financing within the next 30 days.

Approvals:

The Directors of CSCDC shall approve the Resolution (in the form of Attachment 1) as submitted to the Directors, which:

- 1. Approves the sub-allocation of \$8,500,000 in NMTCs and receipt of an equity investment in connection therewith;
- 2. Approves all necessary actions and documents in connection with the QEI closing; and
- 3. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

RESOLUTION OF THE BOARD OF DIRECTORS OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

At a meeting duly called on September 23, 2014, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the "Allocatee"), for itself and in its capacity as managing member the Sub-CDEs (defined below), does hereby adopt the following resolutions:

- WHEREAS, the Allocatee and CSCDC 5, LLC, a California limited liability company ("BBBSOC CDE"), CSCDC 6, LLC, a California limited liability company ("Butte CDE"), and CSCDC 7, LLC, a California limited liability company ("Open Door CDE," and together with BBBSOC CDE and Butte CDE, the "Sub-CDEs," each a "Sub-CDE") were organized for the purpose of participating in the federal New Markets Tax Credit ("NMTC") program, designed by Congress to encourage investment in (i) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (ii) businesses and nonprofits active in low-income communities; and (iii) the provision of technical assistance and other services to businesses active in low-income communities; and
- WHEREAS, by law, NMTC investments must be made through a qualified community development entity (a "CDE"), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and
- WHEREAS, the Allocatee was certified by the Community Development Financial Institutions Fund (the "<u>CDFI Fund</u>") as a CDE, and the Allocatee submitted an Eleventh Round (2013) New Markets Tax Credit Allocation Application (the "<u>Application</u>"); and
- WHEREAS, each Sub-CDE was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and
- WHEREAS, the Allocate, as managing member, and CSCDC Manager, LLC, as the non-member manager, entered into (i) that certain amended and restated operating agreement of BBBSOC CDE dated July 7, 2014 (the "BBBSOC CDE Operating Agreement"), (ii) that certain operating agreement of Butte CDE dated January 30, 2014 (the "Butte CDE Operating Agreement"), and (iii) that certain operating agreement of Open Door CDE dated January 30, 2014 (the "Open Door CDE Operating Agreement," and together with the BBBSOC CDE Operating Agreement and the Butte CDE Operating Agreement, the "Initial CDE Operating Agreements") to govern the Sub-CDEs; and
- **WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$38,000,000 of NMTC authority (the "<u>Allocation</u>") in connection with its Application; and
- WHEREAS, the Allocatee will sub-allocate a portion of the Allocation to the Sub-CDEs as follows:

 (i) a \$10,500,000 sub-allocation to BBBSOC CDE (the "BBBSOC Sub-Allocation"), (ii) a \$10,000,000 sub-allocation to Butte CDE (the "Butte Sub-Allocation"), and (iii) a \$8,500,000 sub-allocation to Open Door CDE (the "Open Door Sub-Allocation," and together with the BBBSOC Sub-Allocation and the Butte Sub-Allocation, the "Sub-Allocations") and will memorialize each Sub-Allocation with certain sub-allocation agreements (the "Sub-Allocation Agreements"); and

WHEREAS, the Allocatee seeks to amend and restate (i) the BBBSOC CDE Operating Agreement (as amended and restated, "BBBSOC Second A&R Operating Agreement") to admit Twain Investment Fund 19, LLC, a Missouri limited liability company ("BBBSOC Fund"), as investor member, whereby BBBSOC Fund will make an equity investment in the amount of \$10,500,000 ("BBBSOC CDE Investment") in BBBSOC CDE in return for a 99.99% equity interest in BBBSOC CDE; (ii) Butte CDE Operating Agreement (as amended and restated, "Butte A&R Operating Agreement") to admit a to-be-formed entity ("Butte Fund"), which shall be an affiliate of JPMorgan Chase Bank, N.A., a national banking association, and/or Chase Community Equity, LLC, a Delaware limited liability company (together, "Chase"), as investor member, whereby Butte Fund will make an equity investment in the amount of \$10,000,000 ("Butte CDE Investment") in Butte CDE in return for a 99.99% equity interest in Butte CDE; and (iii) the Open Door CDE Operating Agreement (as amended and restated, "Open Door A&R Operating Agreement," and together with the BBBSOC Second A&R Operating Agreement and the Butte A&R Operating Agreement, the "A&R CDE Operating Agreements") to admit Twain Investment Fund 23, LLC a Missouri limited liability company ("Open Door Fund," and together with BBBSOC Fund and Butte Fund, the "Funds," each a "Fund"), as investor member, whereby Open Door Fund will make an equity investment in the amount of \$8,500,000("Open Door CDE Investment," and together with the BBBSOC CDE Investment and the Butte CDE Investment, the "CDE Investments") in Open Door CDE in return for a 99.99% equity interest in Open Door CDE; and

WHEREAS, BBBSOC Fund and Open Door Fund are wholly owned by U.S. Bancorp Community Development Corporation, a Minnesota corporation ("<u>USBCDC</u>," and together with Chase, the "<u>Investors</u>," each an "<u>Investor</u>"); and

WHEREAS, the Allocatee and the BBBSOC Fund, as applicable, intend to amend and restate the BBBSOC CDE Second A&R Operating Agreement (as amended and restated, "BBBSOC Third A&R Operating Agreement"); and

WHEREAS, the CDE Investments will each be designated as a "qualified equity investment" as such term is defined in Section 45D of the Code ("QEI", collectively the "QEIs"); and

WHEREAS, in accordance with the BBBSOC Third A&R Operating Agreement, the BBBSOC CDE will use substantially all of the QEI proceeds to make one or more loans to BBBSOC QALICB, Inc., a California nonprofit public benefit corporation (the "BBBSOC Borrower") in the aggregate original principal amount of \$10,185,000 (the "BBBSOC CDE Loan" or "CDE Loan"); and

WHEREAS, the CDE Loan is expected to constitute a "qualified low-income community investment" (as defined in Section 45D of the Code and the Treasury Regulations and Guidance) (a "QLICI") for purposes of the NMTC program which have flexible, non-conventional, or non-conforming terms and conditions; and

WHEREAS, it is the intention of the Board to enter into certain transaction documents, for itself or in its capacity as the managing member of the Sub-CDEs, in connection with the above described transactions and QEIs that are necessary to evidence and govern such transactions, including, but not limited to: (i) that certain CDE Indemnification Agreement, by and among Allocatee, BBBSOC CDE, and USBCDC, (ii) that certain New Markets Fee and Expense Agreements, by and among BBBSOC Borrower, the Allocatee, the BBBSOC CDE, BBBSOC Fund, and USBCDC, (iii) the A&R CDE Operating Agreements and the BBBSOC Third A&R Operating Agreement, by and

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between the Allocatee, the respective Fund, and CSCDC Manager, (iv) the Promissory Note, by the BBBSOC Borrower, pay to the order of BBBSOC CDE, (v) the Loan Agreements, by and between the BBBSOC CDE and BBBSOC Borrower, (vi) the Unwind Agreements entered into by the applicable Fund, the applicable Sub-CDE, the Allocatee, and the applicable Investor, to induce such Investor to make an initial capital contribution in each the respective Funds, (vii) the Subordination, Nondisturbance, and Attornment Agreement by and between the BBBSOC Borrower, BBBSOC CDE, certain other lenders and/or tenants, (viii) the Community Benefits Agreement, by and among BBBSOC Borrower, BBBSOC CDE, and Allocatee, (ix) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by BBBSOC CDE and Allocatee, (x) the Account Pledge and Control Agreement by and among the BBBSOC CDE, BBBSOC Borrower, and certain other lenders and/or account holders (xi) the Environmental and Hazardous Substances Indemnity Agreement by BBBSOC Borrower and a guarantor in favor of BBBSOC CDE, (xii) the Assignment of Contracts, Ancillary Documents and Other Rights, by BBBSOC Borrower in favor of BBBSOC CDE, (xiii) the Construction Monitoring and Disbursement Agreement by and among BBBSOC Borrower, BBBSOC CDE, USBCDC, and Farmers and Merchants Bank of Long Beach, a California banking corporation ("F&M"), (xiv) the Loan Disbursement Agency Agreements by and between BBBSOC CDE and F&M, and (xv) other related documents (collectively, the "Transaction Documents").

NOW, THEREFORE, BE IT

RESOLVED, that each of the Transaction Documents and the transactions contemplated thereby are hereby approved, ratified and confirmed in all respects;

RESOLVED, that each of the following individuals (each an "<u>Authorized Signatory</u>") be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform any Transaction Document for or in the name of the Allocatee and on behalf of the Allocatee as managing member of the Sub-CDEs, and with such changes, variations, omissions and insertions as they shall approve, the execution and delivery thereof by them to constitute conclusive evidence of such approval: Scott Carper, Norman Coppinger, Nancy Parrish, Jean Hurst, Catherine Bando, Mike LaPierre, and Laura Campbell; and be it further

RESOLVED, that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other affidavits, certificates, agreements, instruments and documents, to pay all fees, charges and expenses, and to do or cause to be done all other acts and things which are required or provided for under the terms of the Transaction Documents or which may be necessary or, in his or her or their opinion, desirable and proper in order to effect the purposes of the foregoing resolution and to cause compliance by the Allocatee or Sub-CDEs, as the case may be, with all of the terms, covenants and conditions of the Transaction Documents on the part of the Allocatee or Sub-CDEs, as the case may be, to be performed or observed; and be it further; and be it further

RESOLVED, that any and all documents, instruments and other writings previously executed and delivered or acts performed by the Authorized Signatories, in the name and on behalf of the Allocatee or the Sub-CDEs, as the case may be, in connection with the transactions, be, and the same hereby are, consented to in all respects and are hereby ratified, confirmed and approved.

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- **RESOLVED,** that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other documents approved by the Board and to do or cause to be done all other acts and things which may be necessary in the ordinary course of the business of CSCDC and/or the Sub-CDEs; and be it further
- **RESOLVED**, that these resolutions may be executed in counterparts, including by signature pages provided by facsimile or in PDF format, which together shall constitute one and the same instrument.

[Signature Page Follows]

Directors was present or represented.		
	Larry Combs President	
ATTEST:		
	_	
Dan Harrison Secretary		

IN WITNESS WHEREOF, the Board of Directors of the Allocatee have executed and adopted these Resolutions at its meeting duly called and held on September 23, 2014, at which a quorum of the Board of

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION SUMMARY AND APPROVAL

DATE: SEPTEMBER 23, 2014

PURPOSE: CONSIDER RESOLUTION APPROVING THE FILING OF AN APPLICATION

REQUESTING AN ALLOCATION OF NEW MARKETS TAX CREDITS

Background:

On June 5, 2014 the Corporation was awarded \$38,000,000 in NMTC allocation. The next round of allocation availability (Round 12) has commenced and the U.S. Treasury Department's CDFI Fund will be receiving applications from community development entities seeking NMTC allocation. Staff has been working diligently on the Round 12 application and a brief overview of the application can be found in Attachment 2. The application will be submitted on or before October 1, 2014.

Approval:

Staff recommends that the directors of CSCDC approve the Resolution (in the form of Attachment 1) as submitted to the directors, which:

- 1. Approves the filing of an application for an allocation of New Markets Tax Credits;
- 2. Authorizes any member of the Board of Directors or a designated agent of the Board of Directors (each, an "Authorized Officer") to do any and all things and to execute and deliver any and all documents which such Authorized Officer may deem necessary or appropriate to complete the allocation application; and

Attachment 2

Overview of Allocation Application

CSCDA created a Community Development Entity ("CDE"), California Statewide Communities Development Corporation ("CSCDC"), to provide below-market rate "gap financing" to communities throughout the State of California, enhancing the subsidized financing programs already offered by CSCDA (such as industrial development bonds, affordable housing bonds, nonprofit bonds and other tax-exempt bonds for over 500 cities, counties and special districts. CSCDC will be seeking a \$80 Million allocation of New Markets Tax Credits from the U.S. Treasury's CDFI Fund.

Similarly to its Round 11 Application, CSCDC will focus on communities that traditionally lack access to capital in both minor urban areas, such as cities throughout the Central Valley, as well as major urban areas where vulnerable populations are in need of services. CSCDC will target communities that suffer chronic underinvestment due to perceptions of poor credit worthiness. CSCDC will have a special emphasis on projects that have difficulty attracting sufficient financing and create public benefit by providing critical community services that promote economic development, health, and education.

The focus of CSCDC is driven by that of the founding members of the League and CSAC, which are the leading advocates for the interests of California's cities and counties, and the enhancement of the quality of life and welfare of citizens. CSCDC anticipates that it will be able to access high impact projects that uniquely cater to the provision of public benefits for communities, through leveraging the deep existing networks of relationships of the CSCDA, the League, and CSAC in small cities and districts that receive fewer public resources and investment.

CSCDC will provide NMTC financing for businesses and facilities that promote public benefit through: 1) economic development through creating jobs, technologies, and goods and services with an emphasis on benefits for Low Income Persons; 2) health and social welfare and healthy living; 3) education and job training. Such businesses and projects are particularly challenged to fund capital gaps, as the State's poor credit and finances have made raising conventional debt and equity financing more expensive, and made government subsidies even scarcer. CSCDC anticipates that it will be able to access high impact projects that uniquely cater to the provision of public benefits for communities, through leveraging the deep existing networks of relationships of CSCDA in small cities and districts that receive fewer public resources and investment.

RESOLUTION NO.	[]
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A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION APPROVING THE FILING OF AN APPLICATION REQUESTING AN ALLOCATION OF NEW MARKETS TAX CREDITS, APPOINTING AN ADDITIONAL MEMBER TO ITS ADVISORY BOARD AND APPROVING SUCH OTHER ACTIONS AS NECESSARY OR APPROPRIATE THERETO

WHEREAS, on May 25, 2011, the California Statewide Communities Development Corporation (the "Corporation") approved the filing of an application for certification as a Community Development Entity (the "Certification Application") and established an advisory board (the "Advisory Board") to remain accountable to low-income communities; and

WHEREAS, the Corporation now desires to approve the filing of an application with the U.S. Treasury for an allocation of New Markets Tax Credits; and

NOW, THEREFORE, BE IT RESOLVED, by the California Statewide Communities Development Corporation as follows:

Section 1. The Board of Directors of the Corporation hereby approves the filing of an application for an allocation of New Markets Tax Credits and hereby authorizes any member of the Board of Directors or a designated agent of the Board of Directors (each, an "Authorized Officer") to do any and all things and to execute and deliver any and all documents which such Authorized Officer may deem necessary or appropriate to complete the application for such allocation of New Markets Tax Credits, and any such actions previously taken by an Authorized Officer are hereby ratified and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Corporation this 23rd day of September 2014.

I, the undersigned, the duly appointed and qualified member of the Board of Directors or Authorized Signatory of the California Statewide Communities Development Corporation, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the California Statewide Communities Development Corporation at a duly called meeting of the Board of said Corporation held in accordance with law on September 23, 2014.

By:		
•	Name:	
	Title: Authorized Signatory	