



REGULAR MEETING AGENDA

September 24, 2015 at 10:00 a.m.

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

Telephonic Locations:

420 Litho Street, Sausalito, CA 94965

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

County of Monterey
168 Alisal Street, Salinas, CA 93901

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Larry Combs, Chair <input type="checkbox"/> Kevin O'Rourke, Vice Chair <input type="checkbox"/> Terry Schutten, Treasurer <input type="checkbox"/> Dan Harrison, Secretary <input type="checkbox"/> Irwin Bornstein, Member	<input type="checkbox"/> Tim Snellings, Member <input type="checkbox"/> Dan Mierzwa, Member <input type="checkbox"/> Ron Holly, Alt. Member <input type="checkbox"/> Brian Moura, Alt. Member
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2. Consideration of the minutes of the September 10, 2015 Regular Meeting.
3. Consideration of the Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Butterfield Retirement, L.P. (Butterfield Retirement Residence), City of Morgan Hill, County of Santa Clara, up to \$23,000,000 in multi-family housing revenue bonds.

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6. Consideration of authorizing CSCDA Executive Director and Program Administrators to approve administrative invoices associated with the Statewide Community Infrastructure Program (SCIP) and Community Facilities Districts.
7. Consideration of agreement with Stradling, Yocca, Carlson & Rauth for legal services related to Open PACE and PACE Funding.
8. Consideration of membership to the California Housing Consortium.
9. Conduct public hearing with respect to the Statewide Community Infrastructure Program Assessment District No. 15-01 (City of Roseville, County of Placer, State of California) (hearing to be held at 10 a.m. or shortly thereafter).

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.
11. Staff Updates.
12. Adjourn.

NEXT MEETING: Thursday, October 6, 2015 at 10:00 a.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

- a. Inducement of Paradise Creek II Housing Partners, L.P. (Paradise Creek Housing Phase II), City of National City, County of San Diego, issue up to \$35 million in multi-family housing revenue bonds.
- b. Inducement of Fruit Avenue Housing Associates, LP (Parks at Fig Garden Apartments), City of Fresno, County of Fresno; issue up to \$38 million in multi-family housing revenue bonds.
- c. Inducement of Sendero Bluffs Senior Apartments, L.P. (Sendero Bluffs Senior Apartments), unincorporated County of Orange; issue up to \$20 million in multi-family housing revenue bonds.
- d. Inducement of Esencia Norte Affordable Apartments, L.P. (Esencia Norte Affordable Apartments), unincorporated County of Orange; issue up to \$25 million in multi-family housing revenue bonds.
- e. Inducement of Vintage Housing Holdings, LLC (Vista Sonoma Senior Apartments), City of Santa Rosa, County of Sonoma; issue up to \$26 million in multi-family housing revenue bonds.
- f. Inducement of ROEM Development Corporation (Delta View Family Apartments), City of Antioch, County of Contra Costa; issue up to \$27 million in multi-family housing revenue bonds.
- g. Inducement of Plaza Club Investors, L.P. (Plaza Club Apartments), City of Salinas, County of Monterey; issue up to \$30 million in multi-family housing revenue bonds.

September 24, 2015



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

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

September 10, 2015

MINUTES

Commissioner Dan Harrison called the meeting to order at 10:02 am.

1 Roll call.

Commission members present: Dan Harrison and Terry Schutten. Dan Mierzwa, Tim Snellings and Alternate commissioner Brian Moura (representing Irwin Bornstein) participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Jon Penkower and James Hamill, Bridge Strategic Partners; Norman Coppinger and Perry Stottlemeyer, League of California Cities; Laura Labanieh, CSAC Finance Corporation; Mimi Frusha and Cliff Staton, Renew Financial; and Mark Paxson, State Treasurer's Office. Tricia Ortiz, Richards Watson & Gershon; and Bob Giles, PACE Funding Group participated by conference telephone.

2 Approval of the minutes of the August 20, 2015 regular meeting.

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

3 Consideration of Consent calendar.

a Induce the following projects:

Triangle Terrace Affordable, LP (Triangle Terrace Apartments), City of Orange, County of Orange; issue up to \$14 million in multi-family housing revenue bonds.

Summer Field Community Partners LP (Summer Field Apartments), City of Indio, County of Riverside; issue up to \$42 million in multi-family housing revenue bonds.

b Approve the following invoices for payment:

David Taussig & Associates – invoices 1507127 (SCIP), 1507128 (Fancher Creek CFD), 1507147 (SCIP), 1507151 (Yucaipa CFD), 1507198 (Orinda Wilder CFD), 2014 A Consolidated (SCIP).

Willdan Financial Services – invoices 010-28508 (SCIP), 010-28509 (SCIP), 010-28510 (SCIP).

Stradling, Yocca Carlson & Ruth – invoices for foreclosure services in connection with the SCIP program: Sessions foreclosure; City of East Palo Alto; Billman foreclosure; Gray foreclosure; Tiscornia foreclosure.

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

4 Public comment.

None.

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

- a Butterfield Retirement LP (Butterfield Retirement Residence), City of Morgan Hill, County of Santa Clara, up to \$23 million in multi-family housing revenue bonds.

This item was pulled from the current agenda; deferred until a later meeting.

6 Approval of a resolution authorizing amendments to documents related to the 2010 Gas Supply variable rate revenue bonds for the Sacramento Municipal Utility District (SMUD).

Executive Director Bando explained that since the bonds were issued in 2010, a change in regulations have occurred for certain capital requirements by the underwriter, RBC Capital Markets. SMUD is requesting CSCDA to amend the original indenture and convert the interest rate mechanism to the Securities Industry and Financial Markets Association term rate in order to minimize the effect of the regulatory change. Bando recommends approval of the resolution.

Motion to approve in accordance with Executive Director Bando's recommendation by Mierzwa; second by Schutten; unanimously approved by roll-call vote.

7 Approval of PMC scope of work to build CSCDA database.

Executive Director Bando explained that this project will take the CSCDA database that was received from HB Capital, and put it into a searchable database that will be easier to use. The project will take a few months, but is critical to operations. Therefore, Bando recommends approval of the resolution.

Motion to approve in accordance with Executive Director Bando's recommendation by Schutten; second by Moura; unanimously approved by roll-call vote.

8 Approval of sponsorship of the Council for Development Finance Agencies (CDFA) California Roundtable Conference in Sacramento, California.

Executive Director Bando explained that the Authority recently rejoined CDFCA after allowing membership to lapse. Now CDFCA is planning to hold its Roundtable Conference in Sacramento on November 19, 2015. The Authority has an opportunity to sponsor the Conference for \$750. Sponsorship provides exposure for the Authority by having its logo on all printed materials, as well as an

opportunity to moderate or speak as a participant on a panel. Therefore, Bando recommends approval of the sponsorship.

Commissioner Harrison mentioned that previously he has been involved with CDFA, serving on their board. He stated he believes sponsorship of the Roundtable Conference is worthwhile for the Authority.

Motion to approve in accordance with Executive Director Bando's recommendation by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

- 9 Approval of a resolution ratifying and confirming the forms of certain documents to be used in connection with the issuance of CSCDA Open PACE Limited Obligation Improvement Bonds.

Executive Director Bando explained that this resolution will allow for smoother administration of documents relating to the Open PACE program, specifically updating the master indenture, the issuance certificate, the form of contract and an electronic signature agreement.

James Hamill added that this is merely a ratification of the prior documents that had been approved and that the changes are not dramatic. Orrick Herrington & Sutcliffe reviewed the changes and agree that they do not substantially change the previous approval.

Bando recommends approval of the resolution.

Motion to approve in accordance with Executive Director Bando's recommendation by Schutten; second by Moura; unanimously approved by roll-call vote.

- 10 Approval of an agreement with PACE Funding for services as an administrator for CSCDA Open PACE program.

Executive Director Bando explained that the Commission approved PACE Funding as a program administrator on August 6, 2015 and this agreement will formalize arrangement. Bando called the Commission's attention to the improper use of the term "Board of directors" on page 58 (should be "Board of commissioners"), and recommends a requirement of PACE Funding to offset the costs that the Authority's other Open PACE partners have fronted, that is an arrangement that was agreed to with AllianceNRG and Renovate America (they paid for the statewide validation).

Commissioner Harrison asked if PACE Funding is aware of the proposed changes. Bob Giles of PACE Funding indicated they are aware of it and are okay with it.

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

- 11 Approval of a resolution amending the forms of certain documents for the CSCDA CaliforniaFIRST PACE program.

Executive Director Bando explained that Renew Financial (formerly Renewable Funding), as the administrator of the CaliforniaFIRST PACE program has proposed four amendments to the program agreement that they believe will support improving the PACE product: (i) support split payment for projects with different installation timeframes; (ii) incorporate the limited subordination concept; (iii)

modify the property value definition to include project value; and (iv) increase the maximum financing amount to \$250,000. Bando recommends approval of these amendments.

Mimi Frusha, Renew Financial, elaborated on how the limited subordination works. James Hamill added that Bridge Strategic Partners receives three to four requests every week relating to subordination. Commissioner Mierzwa asked whether the Authority would take foreclosure proceedings prior to a tax sale. Mimi Frusha answered yes.

This agenda item is combined with the next agenda item (item 12) in a single resolution, so discussion will continue with item 12.

12 Approval of a resolution authorizing Off Bill Collections for the CSCDA CaliforniaFIRST PACE program.

Executive Director Bando explained that approval of the off bill collections amendment will provide the property owner with the ability to pay their assessment off bill rather than funding their interest expense for a year or more. By adding this feature to the CaliforniaFIRST PACE program, property owners will be able to save considerable expense in the form of not being required to borrow their interest payment for the first year, they can pay current for the first year and then it goes on the assessment roll. Bando recommends approval of this resolution.

Motion to approve in accordance with Executive Director Bando's recommendation by Mierzwa; second by Schutten; unanimously approved by roll-call vote.

13 CaliforniaFIRST PACE program and Federal Housing Administration (FHA) statement update.

Mimi Frusha, Renew Financial, updated the commissioners as to the growth and status of the CaliforniaFIRST PACE program. The program has now been fully operational for one year. Since the initial launch, the program has experienced some product adjustments to better fit in the market. The program is now in 188 cities and 34 counties. Growth has been exciting, with nearly 2,000 projects funded at the \$50 million mark.

14 Executive Director update.

Executive Director Bando shared that she's been trying to schedule a Commissioner training session for September or October, but no dates seem to work for everyone, so James will try to schedule one for January or early in the year. Also, the financial statement audits are underway and hopefully will be finalized and available for the Commission soon. Additionally, there is a meeting today with the League and CSAC to discuss various coordinated marketing efforts to cities and counties. Finally, the Authority's budget will be presented to the Commission soon, as soon as the agreement with HB Capital is finalized.

15 Staff updates.

James Hamill shared that since summer is over, activity has picked up with more applications coming in, as well as more activity from the finance community, so the next few months are expected to be busier.

16 Commissioner Harrison adjourned the meeting at 10:38 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, September 24, at 10:00 am
in California Association of Counties' office at 1100 K Street, 1st Floor, Sacramento, California.*



Agenda Item No. 5a

Agenda Report

DATE: September 24, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Butterfield Retirement Residence

PURPOSE: Approve the Financing of Senior Rental Affordable Housing Project Located in the City of Morgan Hill, County of Santa Clara

AMOUNT: Not to Exceed \$23,000,000

EXECUTIVE SUMMARY:

Butterfield Retirement Residence (the “Project”) is a new 112-unit senior rental affordable housing project located in the City of Morgan Hill (the “City”). 100% of the units will be rent restricted for low-income senior tenants. The Project will bring much needed affordable housing to the City.

PROJECT DESCRIPTION:

- New construction of 112-unit affordable senior rental housing facility located at the northwest corner of Butterfield Blvd. and Barrett Avenue in the City of Morgan Hill.
- Four acre site.
- One three-story residential building.
- Consists of 60 one-bedroom, 34 two-bedroom, and 18 three-bedroom units.
- Construction is anticipated to begin in October, 2015 and be completed in October, 2016.

PROJECT ANALYSIS:

Background on Applicant:

Community Development Partners (CDP) develops and operates sustainable, life-enhancing affordable housing with a focus on long term community engagement. CDP is a leader of transformative change – responsible for creating life-enhancing affordable development projects that adhere to strict standards of environmentally, socially and economically responsible buildings and communities. CDP’s mission is to repair and strengthen the fabric of cities and towns by meeting the housing needs of local citizens through the thoughtful planning and development of affordable communities. CDP is dedicated to providing the highest quality life-

enhancing housing for qualifying low income residents. Founded in 2012, CDP's multi-disciplinary team is comprised of real estate development experts who contribute diverse backgrounds in both affordable and market-rate development. Its goal is to weave a sense of community into each of the projects completed. The Project is CDP's second financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: November 19, 2014 – City of Morgan Hill – unanimous approval

CDLAC Approval: March 18, 2015

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (100 units) restricted to 60% or less of area median income households.
 - 10% (12 units) restricted to 50% or less of area median income households.
- The Project provides a fully staffed kitchen serving three meals a day.
- The Project provides instructor led educational, health, wellness, and skill building classes.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 19,000,000
Taxable Bonds:	\$ 2,770,000
Tax Credits:	<u>\$ 4,115,778</u>
Total Sources:	\$ 25,885,778

Uses of Funds:

Land:	\$ 1,900,000
Construction Costs:	\$ 17,954,848
Architecture & Engineering:	\$ 1,007,213
Contractor Overhead:	\$ 975,000
Developer Fee:	\$ 2,500,000
Costs of Issuance:	\$ 635,952
Capitalized Interest:	\$ 700,000
Soft Cost Contingency:	<u>\$ 212,765</u>
Total Uses:	\$ 25,885,778

Finance Partners:

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

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

Private Placement Purchaser: Citibank, N.A.

Finance Terms:

Rating: Unrated
Term: 35 years
Structure: Private Placement
Closing: October 1, 2015

CSCDA Policy Compliance:

The financing for Butterfield Retirement Residence complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. 15H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$23,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS BUTTERFIELD RETIREMENT RESIDENCE; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the "Agreement"), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, 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, Butterfield Retirement LP, 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 Tax-Exempt Note (Butterfield Retirement Residence) 2015 Series U-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Construction Note (Butterfield Retirement Residence) 2015 Series U-2 (collectively, the "Notes") to assist in the financing of the construction and development of a 114-unit multifamily housing rental development for seniors located in the City of Morgan Hill, California, and to be known as Butterfield Retirement Residence (the "Project");

WHEREAS, on March 18, 2015, the Authority received an allocation in the amount of \$19,000,000 the ("Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Morgan Hill (the "City") is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Notes;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$23,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Tax-Exempt Note (Butterfield Retirement Residence) 2015 Series U-1" and "California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Construction Note (Butterfield Retirement Residence) 2015 Series U-2" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$23,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with

the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-11 of the Authority, adopted on April 9, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond October 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other

documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

Section 10. This Resolution shall take effect upon its adoption.

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PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 24, 2015.

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 24, 2015.

By _____
Authorized Signatory



Agenda Item No. 6

Agenda Report

DATE: September 24, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of authorizing CSCDA Executive Director and Program Administrators to approve administrative invoices associated with the Statewide Community Infrastructure Program (SCIP) and Community Facilities Districts (CFDs)

EXECUTIVE SUMMARY:

As part of the ongoing administrative duties for bonds issued by CSCDA under the SCIP and CFD programs certain professional services fees need to be paid out of accounts held by the trustee for such services. The services include annually placing the assessment on the property tax roll, foreclosure services and other related services for the assessment districts.

The funds to pay the professional services are paid out of administrative fees collected as part of the bond financing. In the past, these invoices have been placed on the consent calendar for approval by the Commission.

The action requested today is to authorize the CSCDA program administrators to review and submit for approval to the Executive Director for the payment of the administrative invoices for the SCIP and CFD programs. This will expedite payments to the finance professionals and streamline the process for such payment. If any out of the ordinary expenses arise from any SCIP or CFD issuances such expenses will be brought back to the Commission.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends that the Commission authorize the CSCDA Executive Director and Program Administrators to approve administrative invoices associated with the Statewide Community Infrastructure Program (SCIP) and Community Facilities Districts (CFDs).



Agenda Item No. 7

Agenda Report

DATE: September 24, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of bond counsel services agreement with Stradling, Yocca, Carlson & Rauth for PACE Funding Open PACE program

EXECUTIVE SUMMARY:

PACE Funding has engaged Stradling, Yocca, Carlson & Rauth (“Stradling”) to act as counsel for its Open PACE platform. As part of the engagement Stradling will serve as bond counsel for the PACE transactions funded by PACE Funding. CSCDA’s General Counsel has reviewed and approved the form and content of the proposed contract. The proposed contract requires that all bond counsel fees be paid out of bond proceeds, and CSCDA is not responsible for any such fees.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the bond counsel services agreement with Stradling, Yocca, Carlson & Rauth to act as bond counsel under the PACE Funding Open PACE program.

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
660 NEWPORT CENTER DRIVE, SUITE 1600
NEWPORT BEACH, CA 92660-6422
TELEPHONE (949) 725-4000
FACSIMILE (949) 725-4100

CALIFORNIA
NEWPORT BEACH
SACRAMENTO
SAN DIEGO
SAN FRANCISCO
SANTA BARBARA
SANTA MONICA
COLORADO
DENVER
NEVADA
RENO

August 24, 2015

Ms. Catherine Bando
Executive Director
California Statewide Communities Development Authority
1700 North Broadway, Suite 405
Walnut Creek, CA 94596

Mr. Robert Giles
CEO
PACE Funding Group LLC
100 Cooper Court
Los Gatos, CA 95032

Re: *California Statewide Communities Development Authority
Open PACE Program (PACE Funding Program Administrator)
Agreement for Bond Counsel Services*

Dear Ms. Bando and Mr. Giles:

This letter will confirm our understanding of the terms and conditions under which our firm, Stradling Yocca Carlson & Rauth LLP (“SYCR” or “Bond Counsel”), will be compensated for services rendered and expenses incurred as bond counsel to the California Statewide Communities Development Authority (“CSCDA” or the “Authority”) in connection with its Open PACE Program administered by PACE Funding Group (“PFG”) as a program administrator (the “Program”).

Our services as bond counsel for CSCDA in this Program will consist of:

- A. Bond Issuance:
- i. Consultation with representatives of PFG, CSCDA, its issuer’s counsel (“Issuer Counsel”), the Trustee and its counsel with respect to the timing, terms and structure of the proposed bonds.
 - ii. Finalize the indenture, issuance certificate, electronic signature agreement, form of initial assessment contracts and related notices (which documents so far were developed only enough to satisfy the purposes of the validation action).

- iii. Prepare form of bond opinion to be delivered with each issuance of bonds and obtain preliminary approval from rating agency (Kroll) for purposes of future securitizations.
- iv. Prepare forms of Issuer Counsel opinion and Trustee Counsel opinion (with objective that they need be issued only once, in connection with the initial issuance of bonds).
- v. Review program administration agreement (without assuming any responsibility therefor).
- vi. Prepare bonds and bond closing documents.
- vii. Orchestrate initial closing and render initial bond opinions.
- viii. Establish a record keeping system for opt in resolutions and bond issuance documents that PFG can access as needed.

B. Subsequent Bond Issues:

- i. Receive bond issuance data from PFG on Schedule I to Issuance Certificate.
- ii. Use that data to prepare the bonds (up to 5 series each tailored to maturity, principal amount, interest rate, redemption, amortization and other terms applicable to the related assessments as set out in Schedule I), the bond opinions and any other closing documents included in the Issuance Certificate.
- iii. Distribute (via Box or similar website) Issuance Certificate with closing document exhibits and closing instructions to CSCDA, PFG, Trustee and bond purchaser (if different from PFG) (collectively, together with Bond Counsel, the "Parties").
- iv. Finalize closing documents; email notice of availability to all Parties together with closing instructions; when approved by each Party, email notice of availability for signature (which may initially be accomplished by uploading facsimile, with the expectation that it will be fully electronic as soon as possible); when signatures have been obtained, release Bond Counsel opinions, and confirm with Trustee by phone or email receipt of money and delivery of bonds (i.e., closing). It is expected that after some number of closings, the documents will be submitted for approval and execution in a single step.
- v. Email notice of closing to all Parties.
- vi. Archive file of closing documents.

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C. Other:

- i. Changes to Program, amendment of documents, review of documents or questions not covered in part A or B above, research legal issues, render opinions (other than the bond opinion referred to above).
- ii. Prepare resolutions, help with negotiating resolutions if needed or review of legislative changes.

Sections A, B, and C above shall be collectively referred to as "Bond Counsel Services".

In rendering opinions and performing Bond Counsel Services pursuant to this letter agreement, Bond Counsel shall be entitled to rely, without independent investigation, verification or responsibility, on (a) the accuracy and completeness of information provided and certifications made, and opinions rendered by counsel to, the Parties, including (without limitation) the information contained in Schedule I and elsewhere in the Issuance Certificate, (b) the proper form, authorization, execution, delivery, validity and enforceability against CSCDA and all required property owners of the Assessment Contracts, Assessments and related liens, and (c) the improvements financed with proceeds of the Bonds being located within a city or county that is a member of CSCDA and whose legislative body has adopted (and not rescinded) an applicable resolution approving operation of the Program in that city or county.

Bond Counsel Services are limited to those specifically set forth in sections A, B, and C above unless specified and approved in writing by PFG. For example, Bond Counsel Services do not include responsibility for (a) representing CSCDA, PFG or any other party in any litigation or other legal or administrative proceedings, audit or investigation involving any of the Bonds, the Assessments, the participating properties, the financed improvements or installation thereof (the "Projects") or any related matter; (b) any information provided by PFG or otherwise in Schedule I for use in preparing the Bonds, opinions and any other documents; (c) execution, delivery, review, conformance with legal or Program requirements, receipt, maintaining, filing or recording of any Assessment Contract, notice or lien or any related matter or any power purchase agreement or lease entered into by the property owners in connection therewith; (d) any consumer protection, lending, environmental, land use, construction, real estate, insurance or similar laws or matters, or federal or state tax treatment of PFG, Assessments, Projects or property owners; (e) preparing or obtaining any individual opt-in resolution; (f) the PACE Loss Reserve Program administered by California Alternative Energy and Advanced Transportation Financing Authority; (g) any foreclosure, judicial sale or other enforcement proceedings; (h) any other matter not explicitly covered by the services described in parts A, B or C above; (i) any financial advice or analysis, or (j) any services regarding compliance with any applicable state and federal securities laws, either in connection with the issuance of the bonds or any subsequent sale and/or securitizations thereof. Bond Counsel Services are limited to matters governed by the laws of the State of California and federal law.

Bond Counsel will be paid for the Bond Counsel Services an issuance fee of 75 basis points (0.75%) of par amount of issuance to be paid at time of bond issuance until bonds collectively in an aggregate principal amount of \$30,000,000 have been issued, and, thereafter an issuance fee of

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70 basis points (0.70%) of par amount of issuance. However, after bonds collectively in an aggregate principal amount of \$30,000,000 have been issued, in the event that bonds are issued on a weekly basis in an amount greater than over \$1 million per issuance (aggregate amount of all series), the Bond Counsel Services issuance fee shall decrease to 60 basis points (0.60%) of par amount for the portion over \$1 million. CSCDA shall not be responsible for payment of any of the foregoing fees or expenses of Bond Counsel from any of its own funds.

The foregoing issuance fees are for the residential PACE Program. If a separate commercial PACE is launched, separate documents and processes may be required and separate fees to be negotiated may apply. The scope of services and fees set forth above are based on the following additional assumptions: (a) all documents will be electronic and, as soon as Bond Counsel is prepared, all signatures will be electronic, (b) any Party that desires paper copies will be responsible for printing them out from the closing website, which will constitute the official transcript (provided that the actual bonds will be in paper form authenticated by the Trustee and delivered as arranged with the Trustee by PFG or other purchaser).

The term of this agreement shall be two years from the date of initial bond issuance, after which the agreement may be extended for another fixed term by written agreement of the parties or shall stay in effect until terminated by written notice from CSCDA and PFG to Bond Counsel or from Bond Counsel to CSCDA and PFG. In the event of termination, all finished and unfinished documents prepared for adoption or execution by CSCDA, shall, at the option of CSCDA, become its property and shall be electronically delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents.

It is standard practice that Bond Counsel represent the issuer of the bonds, even where, as here, another party is participating in contracting for the services of bond counsel and is responsible for paying all or part of bond counsel's fees and expenses. Therefore, in performing its Bond Counsel Services in connection with Bonds, Bond Counsel will assist Issuer Counsel in representing Issuer, but only with respect to the services described above. PFG should be represented by its own counsel in all matters covered by this agreement. Bond Counsel shall have no attorney-client relationship with PFG in connection with the matters covered by this agreement.

Bond Counsel may not assign its obligations under this agreement without written consent of CSCDA and PFG, except to a successor partnership or corporation to which all or substantially all of the assets and operations of Bond Counsel are transferred. All references to Bond Counsel, CSCDA and PFG in this agreement shall be deemed to refer to any such successor of Bond Counsel and to any such assignee of CSCDA or PFG, as the case may be, and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

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If the foregoing is acceptable, please so indicate by returning a copy of this letter, signed by an authorized officer, and retain an original for your files. We look forward to working with you and to helping make the Program as successful as possible.

STRADLING YOCCA CARLSON & RAUTH, a
Professional Corporation

By Bradley R. Neal
Bradley R. Neal

ACCEPTED AND AGREED TO:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____
Title _____
Date: _____

ACKNOWLEDGED AND ACCEPTED:

PACE FUNDING GROUP LLC

Robert Giles
By: ROBERT GILES
Title CEO
Date: AUGUST 25, 2015



Agenda Item No. 8

Agenda Report

DATE: September 24, 2015
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consideration of membership to the California Housing Consortium

EXECUTIVE SUMMARY:

The California Housing Consortium (CHC) is a non-partisan advocate for the production and preservation of housing affordable to low- and moderate-income Californians. CHC represents the development, building, financial, and public sectors united in their goal that every Californian has a safe, affordable place to call home.

As one of California's most active issuer's in the multifamily affordable housing space membership to CHC will allow the CSCDA's Executive Director and staff access to information and opportunities to expand and refine its multifamily housing program.

ABOUT CHC:

The focus of CHC's education and advocacy is across three areas essential to improving California's delivery of affordable housing:

- Preserving and expanding state and federal funding
- Reducing barriers and increasing tools for affordable housing production
- Ensuring public housing programs are functioning efficiently and benefiting the largest number of low- and moderate-income households

CHC advocates for low- and moderate-income housing that can fit the diverse needs of our community, including transitional and permanent rental housing, supportive housing, rapid rehousing services, and homeownership opportunities.

CHC's educational activities include:

- Hosting regular policy events and roundtables, including monthly Policy Committee meetings and our Annual Policy Forum and Housing Hall of Fame

- Educating legislators, constitutional officers, and appointed officials on the benefits of affordable housing
- Creating networking opportunities and providing resources for its members, housing policy analysts, advocates, and activists
- Strengthening partnerships with other federal, statewide, and regional housing organizations
- Building coalitions with other interest groups, such as those in education, health, public safety, transportation, and environment

Membership is \$1,000 per year and would be paid out of the professional services reserve fund.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends that the Commission approve CSCDA's membership to the California Housing Consortium.



CSCDC
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT CORPORATION



California State Association of Counties



LEAGUE
 OF CALIFORNIA
 CITIES

MEETING AGENDA

September 24, 2015

10:15 a.m. or upon adjournment of the regularly scheduled CSCDA Commission Meeting

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

Telephonic Locations:

420 Litho Street, Sausalito, CA 94965

County of Monterey
 168 Alisal Street, Salinas, CA 93901

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<p>____ Larry Combs, President</p> <p>____ Kevin O'Rourke, Vice President</p> <p>____ Terry Schutten, Treasurer</p> <p>____ Dan Harrison, Secretary</p> <p>____ Irwin Bornstein, Member</p>	<p>____ Tim Snellings, Member</p> <p>____ Dan Mierzwa, Member</p> <p>____ Ron Holly, Alt. Member</p> <p>____ Brian Moura, Alt. Member</p>
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2. Consideration of the minutes of the July 9, 2015 Meeting.
3. Public Comment.

B. ITEMS FOR CONSIDERATION

4. Consider appointment of TJ Cox and Michael Carnes to CSCDC's Advisory Board.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

5. Executive Director Update.
6. Staff Updates.
7. Adjourn.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2015 at
 __: __ __m, Signed _____ . Please email signed page to info@cscda.org

**ANNUAL MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
(CSCDC)**

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

July 9, 2015

MINUTES

Commission chair Larry Combs called the meeting to order at 10:25 am.

1 Roll Call.

Commission members present: Larry Combs, Kevin O'Rourke, Terry Schutten, Dan Harrison and Tim Snellings. Alternate commissioner Ron Holly (representing Dan Mierzwa), and alternate commissioner Brian Moura (representing Irwin Bornstein) participated by conference telephone.

CSCDA Executive Director, Catherine Bando also participated by conference telephone.

Others present included: James Hamill and Jon Penkower, Bridge Strategic Partners; Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Graham Knaus, California State Association of Counties; and Mark Paxson, State Treasurer's Office. Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar and Marc Bauer, Orrick Herrington & Sutcliffe participated by conference telephone.

2 Approval of the minutes of the January 15, 2015 regular meeting.

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

3 Election of officers.

Motion to nominate all four CSCDA officers as officers of CSCDC by Snellings; second by Harrison; unanimously approved by roll-call vote.

4 Public comment.

No public comment, but Commissioner Harrison suggested that CSCDC alter its election of officers to coincide with CSCDA elections. There was discussion relating to moving CSCDC's annual meeting to the same date in January as CSCDA's annual meeting.

5 Approval of a resolution to authorize signatories to CSCDC.

Executive Director Bando explained that CSCDC did not receive a New Market Tax Credits allocation this year, but needs to update the signers authorized to execute NMTC documents. She indicated there

are a lot of transactions involved. This action substitutes James Hamill and Jon Penkower for Mike LaPierre and Scott Carper; Nancy Parrish has also been removed.

Motion to approve the resolution to authorize signatories by Harrison; second by O'Rourke; unanimously approved by roll-call vote.

6 Executive Director update.

None.

7 Staff updates.

Jon Penkower indicated that no allocation was received this year, but the next allocation should open this summer, likely in August. The corporation will be ready to submit an application for allocation at that time.

Commissioner Holly asked if future meeting invitations could be sent in Microsoft Outlook.

8 Chair Larry Combs adjourned the meeting at 10:33 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff



Agenda Report

DATE: September 24, 2015

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Bando, Executive Director
Jon Penkower, Managing Director

PURPOSE: Consider appointment of TJ Cox and Michael Carnes to CSCDC's Advisory Board

SUMMARY:

CSCDC is a Community Development Entity (CDE) and must comply with the regulations set forth by the U.S. Treasury through the CDFI Fund. A CDE must demonstrate that it maintains accountability to residents of low income communities through their representation on a governing board or an advisory board for the CDE. At least 20% of the governing board or advisory board members must be representative of a low-income community (but not necessarily a resident in the community). CSCDC's current advisory board is comprised of six members, all of whom are representative of low income communities. Two members, Amy Laughlin and Scott Spote, have served on CSCDC's advisory board since its inception and will be stepping down to pursue other opportunities. CSCDC staff have identified two qualified candidates to replace Ms. Laughlin and Mr. Spote on the CSCDC advisory board. The proposed candidates, TJ Cox and Michael Carnes, are also representative of low income communities and CSCDC's advisory board will remain 100% accountable to low income communities.

BACKGROUND ON CANDIDATES:

1. TJ Cox:

TJ Cox is president and chief operating officer of the Central Valley NMTC Fund, LLC (CVNF), which is a U.S. Department of Treasury certified CDE. Since 2006, Mr. Cox has been an active participant in the New Markets Tax Credit (NMTC), Low-Income Housing Tax Credit, and Historic Tax Credit programs. Under Mr. Cox's direction, CVNF has deploying \$65 million dollars of federal NMTC allocation within low-income communities throughout the Central Valley of California.

Mr. Cox holds an engineering degree from the University of Nevada and an MBA from Southern Methodist University. He is a registered professional engineer and a licensed general and public works contractor. In addition to his roles with CVNF, Mr. Cox serves on the board of LINC Housing Corporation, a nonprofit organization that builds, owns and operates affordable housing for seniors and families throughout California. His work in low-income communities throughout California includes the financing of a one-of-kind women and children's homeless campus,

federally qualified health centers, facilities for community college districts and a new headquarters and community services center for First Five Fresno County. Recent development projects include an affordable, senior's memory care community and nearly 100,000 sq. ft. of commercial buildings all in severely economically distressed census tracts. Mr. Cox also served as project manager for Habitat-for-Humanity Fresno's 84-home Crossroads Subdivision project and led an international team of volunteers to Armenia to build homes as part of Habitat for Humanity's global outreach program.

2. Michael Carnes:

Mr. Carnes is a loan officer with the Rural Community Assistance Corporation in Visalia, California. Mr. Carnes has more than 37 years of lending experience. He joined RCAC in 2013 after retiring from USDA Rural Development as an Area Director. Mr. Carnes has extensive experience working in loan origination, loan servicing, and preservation efforts relating to multi-family housing, utility systems, community facility and single family housing finance. He has overseen a number of grant programs for USDA including: Housing Preservation Grants, Self Help Technical Assistance Grants, Rural Business Enterprise Grants and Community Facility Grants. He possesses a wide range of knowledge in real estate closings and subordinations, bond financing, appraisal and environmental review, and ADA and civil rights compliance. Mr. Carnes has worked with many types of clients including nonprofit corporations, tribal entities, and a wide variety of public entities including the State of California. Mr. Carnes received a Bachelor of Science degree in Agricultural Economics from California State University, Fresno.

RECOMMENDED ACTION:

CSCDC's Executive Director recommends approval of the appointment of TJ Cox and Michael Carnes to CSCDC's Advisory Board.