



## **REGULAR MEETING AGENDA**

**September 7, 2017 at 2:00 p.m.**

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

Telephonic Locations:

709 Portwalk Place  
Redwood City, CA 94061

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

County of Kern  
1115 Truxtun Avenue,  
Bakersfield, CA 93301

27788 Hidden Trail Road  
Laguna Hills, CA 92653

### **A. OPENING AND PROCEDURAL ITEMS**

1. Roll Call.

<input type="checkbox"/> Dan Harrison, Chair	<input type="checkbox"/> Jordan Kaufman, Member
<input type="checkbox"/> Larry Combs, Vice Chair	<input type="checkbox"/> Dan Mierzwa, Member
<input type="checkbox"/> Kevin O'Rourke, Treasurer	<input type="checkbox"/> Irwin Bornstein, Member
<input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Brian Moura, Alt. Member
2. Consideration of the Minutes of the August 17, 2017 Meeting.
3. 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. California Baptist University, City of Riverside, County of Riverside; issue up to \$115,000,000 in nonprofit refunding revenue bonds.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2017 at \_\_\_: \_\_\_ m, Signed \_\_\_\_\_. Please email signed page to [info@cscda.org](mailto:info@cscda.org)

- b. Kensington Apartments LP (Kensington Apartments), City of Sacramento, County of Sacramento; issue up to \$38,000,000 in multifamily housing revenue bonds.
- 6. Statewide Community Infrastructure Program (SCIP):
  - a. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (hearing to be held at 2 p.m. or shortly thereafter):
    - 1. Open Consolidated Assessment Districts Public Hearing.
    - 2. Continue Public Hearing to October 5, 2017 for two Assessment Districts.
    - 3. Close Consolidated Assessment Districts Public Hearing.
    - 4. Open assessment ballots and announce results.
  - b. Consideration of the following resolutions with respect to SCIP:
    - 1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
    - 2. Resolution providing for the issuance of separate SCIP limited obligation improvement bonds each in one or more series and approving the form and substance of a trust agreement.
    - 3. Resolution authorizing the issuance, sale and delivery of not to exceed \$30,000,000 of SCIP Revenue Bonds, Series 2017B and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement.
    - 4. Resolution abandoning proceedings for proposed Assessment District No. 17-05 (City of Roseville, County of Placer).
- 7. Conduct second reading and adopt "Ordinance Levying a Special Tax for Fiscal Year 2017-2018 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2017-01 (Horse Creek Ridge)".

**C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS**

- 8. Executive Director Update.
- 9. Staff Updates.
- 10. Adjourn.

**NEXT MEETING:** Thursday, September 21, 2017 at 2:00 p.m.  
California State Association of Counties  
1100 K Street, 1st Floor, Sacramento, CA 95814

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**CONSENT CALENDAR**

1. Consent Calendar

- a. Inducement of Community Development Partners (Tiny Tim Apartments), City of Santa Ana, County of Orange; issue up to \$27 million in multi-family housing revenue bonds.
- b. Consideration of Agreement for Audit Services with Mann, Urrutia & Nelson.

September 7, 2017



## **TABLE OF CONTENTS**

### **September 7, 2017**

Item 2	August 17, 2017 Minutes	Page	6
Item 3	Consent Calendar	Page	10
Item 5a	California Baptist University	Page	20
Item 5b	Kensington Apartments	Page	29
Item 6	SCIP 2017B	Page	36
Item 7	Second Reading of Ordinance – Horse Creek Ridge	Page	53



## MINUTES

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

**August 17, 2017**

California State Association of Counties  
1100 K Street, 1<sup>st</sup> Floor, Sacramento, CA 95814

Commission Chair Dan Harrison called the meeting to order at 2:01 pm.

1. Roll Call.

Commission members present: Dan Harrison

Commission members participating via teleconference: Larry Combs, Jordan Kaufman, Dan Mierzwa and Brian Moura

Others present: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; James Hamill, Bridge Strategic Partners; Justin Cooper, Orrick, Herrington & Sutcliffe; Laura Labanieh; CSAC Finance Corporation and Sendy Young, CSAC Finance Corporation

Others participating via teleconference: Tricia Ortiz, Richards, Watson & Gershon; Meagan Singer, Orrick, Herrington & Sutcliffe

2. Consideration of the Minutes of the August 3, 2017 Regular Meeting.

The commission approved the minutes.

***Motion to approve by D. Mierzwa. Second by L.Combs. Unanimously approved by roll-call vote.***

3. Consideration of the Consent Calendar.

The Commission approved the following items on the Consent Calendar:

- a. Inducement of Seminole Gardens Preservation Limited Partnership (Seminole Gardens Apartments), City of Palm Springs, County of Riverside; issue up to \$10 million in multi-family housing revenue bonds.

***Motion to approve consent calendar by J. Kaufman. Second by D. Mierzwa. Unanimously approved by roll-call vote.***

4. Public Comment.

There was no public comment.

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

- a. Alamo Garden Family Apartments, LP (Alamo Garden Apartments), City of Vacaville County of Solano; Issue up to \$25,000,000 in multifamily housing revenue bonds.

Executive Director Bando provided an overview of the project and indicated that the financing complies with CSCDA general and issuance policies for unrated debt. 100% of the units will be rent restricted for 55 years. This is the 13<sup>th</sup> project that ROEM has financed with CSCDA.

***Motion to approve, by L. Combs. Second by D. Mierzwa. Unanimously approved by roll-call vote.***

- b. Palm Terrace LP, L.P. (Palm Terrace Apartments, City of Lindsay, County of Tulare; issue up to \$12,012,908 in multifamily housing revenue bonds.

Executive Director Bando provided an overview of the project and indicated that the financing complies with CSCDA general and issuance policies. 100% of the units will be rent restricted for low-income tenants. This is Self Help Enterprises 5<sup>th</sup> financing with CSCDA.

***Motion to approve, by J. Kaufman. Second by B. Moura. Unanimously approved by roll-call vote.***

6. Consideration of approving the issuance of the CFD No. 2015-01, Improvement Area No. 2 (University District) Special Tax Bonds, Series 2017; authorizing the execution and delivery of an Indenture; approving a Bond Purchase Contract, Official Statement, and a Continuing Disclosure Certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

Executive Director Bando recommended that Commission approve the attached resolution. The actions are the final steps required to issue bonds for Improvement Area No. 2 of the University District.

1. Approving the issuance of the CFD No. 2015-0 Improvement Area No. 2 (University District) Special Tax Bonds, Series 2017;
2. Authorizing the execution and delivery of an Indenture;
3. Approving the form of the Bond Purchase Contract, and Official Statement and a Continuing Disclosure Certificate;
4. Authorizing the sale of such bonds;
5. Authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

***Motion to approve, by D. Mierzwa. Second by L. Combs. Unanimously approved by roll-call vote.***

7. Consideration of the following matters for the formation of Community Facilities District No. 2017-01 (Horse Creek Ridge) (the “Horse Creek Ridge CFD”):

- a. Conduct proceedings with respect to formation of Horse Creek Ridge CFD:

1. Open Public Hearing.
2. Close Public Hearing.

Commission Chair Dan Harrison opened the public hearing with respect to the formation of and special election within Horse Creek Ridge. There were no oral or written comments from the public. The hearing was closed. The financing will not exceed \$28,000,000 and will be brought back to the Commission for completion of the formation of the CFD and for final approval of the bond issuance.

***Motion to close the public hearing by D. Mierzwa. Second by J. Kaufman. Unanimously approved by roll-call vote***

- b. Consider the following resolutions relating to the formation of and special election within Horse Creek Ridge CFD:

1. Resolution of formation establishing Horse Creek Ridge CFD and authorizing the levy of a special tax therein to finance the acquisition and construction of certain public facilities and to finance certain development impact fees.

***Motion to approve by L. Combs. Second by B. Moura. Unanimously approved by roll-call vote.***

2. Resolution deeming it necessary to incur bonded indebtedness to finance the acquisition and construction of certain public facilities and to finance certain development impact fees to mitigate the impacts of development within Horse Creek Ridge CFD.

***Motion to approve by D. Mierzwa. Second by L. Combs. Unanimously approved by roll-call vote.***

3. Resolution calling special mailed-ballot election within Horse Creek Ridge CFD.

***Motion to approve by D. Mierzwa. Second by L. Combs. Unanimously approved by roll-call vote.***

- c. Conduct special election within Horse Creek Ridge CFD.
- d. Consider resolutions declaring results of special mailed-ballot election within Horse Creek Ridge CFD.
- e. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2017-2018 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2017-01 (Horse Creek Ridge).”



Meagan Singer from Orrick, Herrington & Sutcliffe announced that 255 votes were cast in support of the measure and 0 votes were cast in opposition to the measure. Therefore, the measure was approved with 100% vote in favor.

***Motion to approve items d and e and waive the reading of the first reading of the Ordinance Levying a Special Tax and read by title only, by L. Combs. Second by B. Moura. Unanimously approved by roll-call vote.***

8. Consideration of Appointment of Open PACE Advisory Board.

CSCDA's Executive Director recommended that the below referenced cities and counties be appointed to the Open PACE Advisory Board. On June 15, 2017 the Commission approved the formation of an Open PACE Advisory Board in order to receive direct feedback and recommendations from cities and counties regarding improvements/changes that can be made to Open PACE. Final approval of appointees will be brought back to the Commission for approval.

- |                          |                          |
|--------------------------|--------------------------|
| 1. City of Santa Barbara | 4. San Bernardino County |
| 2. City of Sacramento    | 5. Alameda County        |
| 3. City of Chula Vista   | 6. Tulare County         |

***Motion to approve by B. Moura. Second by L. Combs. Unanimously approved by roll-call vote.***

9. Review 2016-2017 Fiscal Year Financial Results and Bank Account Activity.

This is an informational item and includes two financial reports for CSCDA that provide preliminary information for 2016-17 bank account activity and preliminary budget to actual figures through June 30, 2017. The Commission appreciates the accounting services the League of California Cities has provided to CSCDA and expresses their sincere thanks to Quinlan Hunter, Perry Stottlemeyer and Norman Coppinger.

10. Executive Director Update.

Executive Director Bando reminded the Commission of upcoming conferences that she would be attending and representing CSCDA.

11. Staff Updates.

James Hamill will be forwarding a Wall Street Journal article to the Commission regarding the PACE program.

12. Adjourn.

The meeting was adjourned at 2:39 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

**NEXT MEETING:** Thursday, September 7, 2017 at 2:00 p.m.  
League of California Cities  
1400 K Street, 3<sup>rd</sup> Floor, Sacramento, CA 95814



## **Agenda Item No. 3**

### **Agenda Report**

**DATE:** September 7, 2017  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Bando, Executive Director  
**PURPOSE:** Consent Calendar

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#### **SUMMARY:**

b. Consideration of Agreement for Audit Services with Mann, Urrutia & Nelson.

*The CSCDA Commission approved Mann, Urrutia & Nelson as the new auditor for CSCDA at the June 15, 2017 meeting. CSCDA General Counsel has reviewed and approved the attached agreement.*

**RESOLUTION NO. 17H-\_\_**

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

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

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

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

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

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

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

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

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

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

Section 1. The above recitals, and each of them, are true and correct.

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

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

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

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this September 7, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 7, 2017.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Tiny Tim Apartments	City of Santa Ana, County of Orange	51	New Construction	Community Development Partners	\$27,000,000



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP  
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

August 22, 2017

To Board of Commissioners  
California Statewide Communities Development Authority  
1700 North Broadway, Suite 405  
Walnut Creek, CA 94596

We are pleased to confirm our understanding of the services we are to provide California Statewide Communities Development Authority (CSCDA) for the year ended June 30, 2017. We will audit the financial statements of the fiduciary activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of CSCDA as of and for the year ended June 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement CSCDA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to CSCDA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies CSCDA's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Schedule of Fiduciary Fee Collections/Charges and Disbursements Related to the Conduit Finance Activities – Agency Funds

**Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of CSCDA's financial statements. Our report will be addressed to the Board of Commissioners of CSCDA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

## **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

## **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

## **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of CSCDA's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## **Other Services**

We will also assist in preparing the financial statements of CSCDA in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Mann, Urrutia, Nelson CPAs & Associates, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to [Name of Regulator] or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mann, Urrutia, Nelson CPAs & Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to certain regulators or its designee. The regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Erica Pastor is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$15,900. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resulting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

### **Indemnification**

To the fullest extent permitted by law, we will defend, indemnify, and hold CSCDA, its officials, and every officer, employee, agent and contractor of CSCDA (collectively "CSCDA indemnitees"), free and harmless from any and all claims, demands, causes of actions, expenses, liabilities, losses, damages, injuries of any kind to property or persons, including wrongful death ("Claims") in any manner arising out of or incident to any negligent acts, errors, omissions or willful or wrongful misconduct by us, its officials, officers, employees, agents or contractors in connection with this engagement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses. With respect to any Claim that may be brought or instituted against CSCDA indemnitees, We will defend CSCDA indemnitees, with counsel of CSCDA's choice, at our own cost, expense, and risk and will pay and satisfy any judgment, award, or decree that may be rendered against CSCDA indemnitees. We will reimburse CSCDA indemnitees, promptly upon demand, any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity provided in this agreement. Our obligation to indemnify shall not be restricted to insurance proceeds, if any, received by us or any CSCDA indemnitee. This obligation shall survive termination of this engagement.

### **Insurance**

We shall at all times during the term of this engagement carry, maintain, and keep in full force and effect, insurance as follows:

1. A policy or policies of commercial general liability insurance against claims for injuries to persons, monetary or financial loss, or damages to property which may arise from or in connection with performance of work by us, our agents, representatives or employees under this agreement. Such coverage shall have limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
2. A policy or policies of comprehensive vehicle liability Insurance covering personal injury and property damage, with minimum limits of \$1,000,000 per occurrence combined single limit, covering any vehicle We utilize in performing the work under this agreement.
3. Workers' compensation insurance and employer's liability insurance as required by the State of California.
4. A policy or policies of professional liability insurance (errors and omissions) with minimum limits of \$1,000,000 per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by CSCDA. Further, we agree to maintain in full force and effect such insurance for one year after performance of work under this engagement is completed.

The policy or policies required by this agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

We agree that if it does not keep the aforesaid insurance in full force and effect CSCDA may either immediately terminate this engagement or, if insurance is available at a reasonable cost, CSCDA may take out the necessary insurance and pay, at our expense, the premium thereon.

At all times during the term of this engagement, we will maintain on file with the CSCDA a certificate or certificates of insurance on the form approved by CSCDA's Controller, showing that the aforesaid policies are in effect in the required amounts. We will, prior to commencement of work under this engagement, file with CSCDA such certificate or certificates. The general liability insurance and vehicle insurance shall contain an endorsement naming CSCDA as an additional insured. All of the policies required under this agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on 30 days prior written notice to CSCDA, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this letter.

The insurance provided by us shall be primary to any coverage available to CSCDA. The policies of insurance required by this agreement shall include provisions for waiver of subrogation.

Any deductibles or self-insured retentions must be declared to and approved by CSCDA. At the option of CSCDA, we will either reduce or eliminate the deductibles or self-insured retentions with respect to CSCDA, or we will procure a bond guaranteeing payment of losses and expenses.

Client (CSCDA) and accountant (Mann, Urrutia, Nelson CPAs & Associates, LLP) both agree that any dispute over fees charges by the accountant to the client will be submitted for resolution by arbitration in accordance with the

Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

We appreciate the opportunity to be of service to California Statewide Communities Development Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in blue ink that reads "Mann, Urrutia, Nelson CPAs". The signature is written in a cursive, flowing style.

Mann, Urrutia, Nelson CPAs & Associates LLP

RESPONSE:

This letter correctly sets forth the understanding of California Statewide Communities Development Authority.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## **Agenda Item No. 5a**

### **Agenda Report**

**DATE:** September 7, 2017

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** California Baptist University

**PURPOSE:** Authorize the Issuance of Bonds to Refinance Prior Issued CSCDA Bonds

**AMOUNT:** Not to Exceed \$115,000,000

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#### **EXECUTIVE SUMMARY:**

California Baptist University (“CBU” or the “University”), has requested that CSCDA issue nonprofit refunding revenue bonds in an amount not to exceed \$115,000,000 (the “Bonds”) to refinance CSCDA bonds previously issued for the benefit of CBU (the “Project”).

#### **PROJECT ANALYSIS:**

##### **About CBU:**

The University is a California non-profit corporation located in Riverside, California, created to conduct a private, accredited Christian university, offering liberal arts and undergraduate and graduate degrees. The primary purpose of the University is to conduct an accredited four-year university in education, music, the sciences, and the liberal arts. The University grants certificates, diplomas, and degrees evidencing course completion and provides training for Baptist youth and others desiring to be affiliated with Baptist theology and theological instruction and other instruction to prepare and qualify ministers and others for Christian work. CBU’s current enrollment is 9,000 students in both undergraduate and graduate programs.

##### **About the Project:**

The Series 2017A Bonds are proposed to be issued to

1. Current refund for savings all or a portion of the outstanding California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2007 A & B; and

2. Advance refund for savings all or a portion of the outstanding (a) California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2011A;

The refunding of the 2007A & B and 2011A bonds are expected to yield \$5.6 million in net present value savings.

**Public Agency Approval:**

**TEFRA Hearing:** The TEFRA hearing was held on August 22, 2017 at the City of Riverside and unanimously approved by the City Council.

**Public Benefit:**

The University provides financial assistance to approximately 92 percent of its enrolled undergraduate students. Approximately 75 percent of traditional undergraduate students receive more than \$9,500 in institutional financial aid. Approximately 50 percent of University students also receive Pell Grants, which further demonstrates the University's support of an underserved (i.e., low-income) population.

The University is known for its commitment to community outreach. The University strives to provide students, faculty, and staff with opportunities to expand their global vision and gain hands-on ministry experience in a cross-cultural setting. Students, faculty, and staff are involved in University sponsored programs and events, church ministries, and community service organizations in the Riverside area, the Inland Empire (mainly located in the Riverside and San Bernardino Counties), across the State of California, and around the world.

**Sources and Uses:**

Sources of Funds:

Bond Proceeds:	\$ 105,720,000
Bond Premium:	\$ 513,439
Release of Reserves	<u>\$ 14,127,601</u>
Total Sources:	\$ 120,361,040

Uses of Funds:

Refunding Escrow Deposits:	\$ 110,799,029
Debt Service Reserve Fund:	\$ 8,040,000
Costs of Issuance:	\$ 1,521,500
Rounding Amount:	<u>\$ 511</u>
Total Uses:	\$ 120,361,040

**Finance Partners:**

Bond Counsel: Squire Patton Boggs, Los Angeles

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

Underwriter: D.A. Davidson, Denver

**Finance Terms:**

**Anticipated Rating:** Unrated  
**Term:** 30 years at a fixed interest rate  
**Structure:** Limited public offering. Bonds to be sold to accredited investors and/or qualified institutional buyers.  
**Estimated Closing:** September 30, 2017

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

**ATTACHMENT A**

**RESOLUTION NO. \_\_NP-\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS  
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$115,000,000 TO  
REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT  
AND EQUIPPING OF CERTAIN EDUCATIONAL, ADMINISTRATIVE  
AND STUDENT HOUSING FACILITIES AND CERTAIN OTHER  
MATTERS RELATING THERETO FOR CALIFORNIA BAPTIST  
UNIVERSITY AND OTHER MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, California Baptist University, a California nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the “Borrower”), wishes to: (1) prepay and retire all or a portion of the outstanding (a) California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2007 A and California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2007 B (Tax-Exempt) (collectively, the “Series 2007 Bonds”), issued for the Series 2007 Project, defined below, and (b) California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2011 A (the “Series 2011 Bonds”), issued for the Series 2011 Project, defined below (together with the Series 2007 Project, the “Project”); (2) finance a debt service reserve fund for the Bonds, defined below; and (3) pay costs of issuance and certain interest with respect to the Bonds;

WHEREAS, the term “Series 2007 Project” means refinancing the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain educational facilities including but not limited to residence facilities, parking facilities, athletic facilities, an academic and student center complex, classrooms, facilities for the school of music, storage facilities, associated infrastructure improvements, and other related and appurtenant facilities located primarily on the Borrower’s main campus, the address of which is 8432 Magnolia Avenue, Riverside, California, bounded by Magnolia Avenue, Adams Street, Diana Avenue and Monroe Street (the “Campus”), more particularly described as follows: the College of Nursing Complex located at 8308 and 8310 Magnolia Avenue; the Bourns Laboratories located at 3750 Adams Street; the Smith Hall and Simmons Hall residence facilities located at 8525 and 8555 Diana Avenue; the Lancer Arms Apartments located at 8447, 8449, 8451 and 8471 Diana Avenue; the Magnolia Hacienda Apartments located from 8386 to 8398 Magnolia Avenue; the University Place residence facilities located at 8374 and 8350 Magnolia Avenue; The Village @ CBU (fka Rose Garden Village Apartments) residence facilities located at 3668 Adams Street; the Tower Hall (fka the Royal Rose Apartments) located at 3720 Adams Street; and the College of Nursing Annex (fka Adams Villas residence facilities) located at 3780 Adams Street;

WHEREAS, the term “Series 2011 Project” means (a) the acquisition, construction, improvement, renovation, furnishing and equipping of certain educational and student housing facilities including, but not limited to, an approximately 56,000 square foot School of Business building, including classrooms, offices and meeting facilities, associated infrastructure and parking improvements, and other related and appurtenant facilities of the Borrower, and other infrastructure improvements, all located on or adjacent to the Campus; and (b) the refinancing of certain acquisition costs of student housing facilities known as The Colony located at 3675 and 3697 Monroe Street on the Campus, and related costs and associated infrastructure improvements, and other related and appurtenant facilities of the Borrower, located primarily on the Campus;

WHEREAS, the Project and facilities are to be owned and operated by the Borrower or Lancer Educational Housing, LLC, a California limited liability company, the sole



member of which is Lancer Educational Housing Corporation, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, and located in the City;

WHEREAS, the Borrower is requesting the assistance of the Authority in refinancing the Project;

WHEREAS, pursuant to an Indenture of Trust (the “Indenture”), between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Refunding Revenue Bonds (California Baptist University) Series 2017A (the “Bonds”) for the purpose, among others, of refinancing the Project;

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

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Purchase Contract”), among D.A. Davidson & Co., as underwriter (the “Underwriter”), the Authority and the Borrower, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to refinance the Project, to fund a debt service reserve account and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Bonds will be offered for sale to Approved Buyers (as defined in the Indenture) through a limited offering memorandum;

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

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

**Section 1.** Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Refunding Revenue Bonds (California Baptist University) Series 2017A” in an

aggregate principal amount not to exceed one hundred fifteen million dollars (\$115,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

**Section 5.** The proposed preliminary form of Limited Offering Memorandum, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form, in substantially the form of the preliminary Limited Offering Memorandum, to the purchasers of the Bonds.

**Section 6.** The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an

Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

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

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

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

**Section 10.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 7th day of September, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was

duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 7, 2017.

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



## **Agenda Item No. 5b**

### **Agenda Report**

**DATE:** September 7, 2017

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Kensington Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Sacramento, County of Sacramento

**AMOUNT:** Not to Exceed \$38,000,000

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#### **EXECUTIVE SUMMARY:**

Kensington Apartments (the “Project”) is an acquisition and rehabilitation of a 301-unit rental affordable housing project located in the City of Sacramento. 20% of the units will remain rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Acquisition and rehabilitation of 301-unit affordable rental housing facility located at 3644 Kings Way in the City of Sacramento.
- 13 acre site.
- 22 two and three story residential buildings.
- Restricted units are comprised of 10 studios, 16 one-bedroom units, 30 two-bedroom units and 5 three-bedroom units.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

Klein Financial Corporation (“Klein”), founded in 1984 by Robert N. Klein, II, was created to meet a need in the real estate financing sector for innovative solutions to the lack of affordable housing mortgage financing. The firm provides financial, development, governmental, tax credit and other advisory services to clients pursuing the development of affordable housing and other real estate development opportunities which utilize governmental subsidy programs. Klein also develops real estate projects as a principal to validate new financial technologies and/or innovative project legal and capital structures it designs.

Klein has designed, structured, developed or consolidated approximately \$5.0 billion in bond financing for private developers and governmental agencies. For the most recent 15 years, Klein has developed or financed more than 50 properties, throughout California, Colorado and Arizona, consisting of approximately 12,498 units with a total value of approximately \$1,319,269,000. This will be Klein's fifth financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** May 9, 2017 – County of Sacramento – unanimous approval. The County facilitates TEFRA hearings for all projects located within the County, including those located within the City of Sacramento.

**CDLAC Approval:** July 19, 2017

**Public Benefits:**

- 20% of the units will be rent restricted for 55 years.
  - 61 units restricted to 50% or less of area median income households.
- The Project is within walking distance to mass transit, parks, public schools and a shopping center.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 38,000,000
Tax Credits:	\$ 2,802,630
Deferred Developer Fee:	\$ 3,857,764
Equity:	<u>\$ 3,439,606</u>
Total Sources:	\$ 48,100,000

Uses of Funds:

Acquisition:	\$ 29,300,000
Construction Costs:	\$ 9,404,000
Solar PV System:	\$ 800,000
Loan Fees/Interest:	\$ 1,000,000
Costs of Issuance:	\$ 850,000
Project Contingency:	\$ 1,346,000
Developer Fee:	<u>\$ 5,400,000</u>
Total Uses:	\$ 48,100,000

**Finance Partners:**

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

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

Bond Purchaser: Deutsche Bank, New York

**Finance Terms:**

**Rating:** Unrated  
**Term:** 35 years  
**Structure:** Direct Placement  
**Estimated Closing:** September 30, 2017

**CSCDA Policy Compliance:**

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

**ATTACHMENT A**

**RESOLUTION NO. 17H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$38,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS KENSINGTON 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 BONDS.**

**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 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**, Kensington Apartments, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its multifamily housing revenue bonds (the “Bonds”) to assist in the financing of the acquisition, construction and development of a 301-unit multifamily housing rental development to be located in the City of Sacramento, California, and to be known as “Kensington Apartments” (the “Project”);

**WHEREAS**, on July 19, 2017, the Authority received an allocation in the amount of \$38,000,000 from the California Debt Limit Allocation Committee in connection with the Project;

**WHEREAS**, the County of Sacramento is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Bonds;

**WHEREAS**, the Authority is willing to issue the Bonds in an aggregate principal amount not to exceed \$38,000,000 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 Bonds will be issued and delivered to Deutsche Bank AG, New York Branch, or a related entity (the “Purchaser”), as the initial holder of the Bonds;



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

- (1) A proposed form of Trust Indenture (the “Indenture”) to be entered into by the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);
- (2) A proposed form of Loan Agreement (the “Loan Agreement”) to be entered into by the Authority and the Borrower; and
- (3) A proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into by the Authority 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 Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Bonds in one or more series. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Kensington Apartments) 2017 Series II” 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 \$38,000,000. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the manual or facsimile signature of any Authorized Signatory. The Bonds shall be secured in accordance with the terms of the Indenture. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, 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”). The Bonds, when issued by the Authority and authenticated by the manual signature of the Trustee in accordance with the Indenture, shall be delivered to or upon the order of the Purchaser.

Section 3. The Indenture 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. 17R-4 of the Authority, adopted on March 2, 2017) (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 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. The date, maturity date or dates (which shall not extend beyond October 1, 2057), interest rate or rates (which shall

not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The 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 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. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance and delivery of the Bonds 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 Indenture 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 Bonds 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 7. 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 issuance and delivery of the Bonds, 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 Bonds or any redemption of the Bonds, 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 Indenture and other documents approved herein.

Section 8. This Resolution shall take effect upon its adoption.

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**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this 7<sup>th</sup> day of September, 2017.

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 7, 2017.

By \_\_\_\_\_  
Authorized Signatory

## **Agenda Item No. 6**

### **Agenda Report**

**DATE:** September 7, 2017

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PURPOSE:** 1. Conduct proceedings with respect to SCIP Assessment Districts (hearing to be held at 2:00 p.m. or shortly thereafter).

2. Consideration of resolutions with respect to SCIP Assessment Districts and SCIP 2017B.

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#### **BACKGROUND AND SUMMARY:**

Please refer to Diagram 1 regarding the actions requested by the Commission today.

On July 6, 2017 the Commission approved the resolutions of intention and set the public hearing for today for the formation of certain SCIP assessment districts. The commission is being asked today to: (1) conduct the public hearing for such assessment districts; (2) continue the public hearing to October 5, 2017 for two assessment districts; (3) approve the final engineer's report (in Documents for Commissioner Review); (4) approve the issuance of limited obligation bonds from time to time for each assessment district; (5) approve the issuance of pooled SCIP revenue bonds to acquire certain of the limited obligations; and (6) approve the resolution abandoning proceedings for proposed Assessment District No. 17-05 (City of Roseville, County of Placer).

The request today to the Commission will form the following assessment districts. The assessment districts are being formed for the purpose of financing certain improvements and/or development impact fees as further described in the related engineer's reports for such projects. Depending on market conditions and development status of each of the projects, such assessment districts will be included in one or more pooled or standalone bond issuances for SCIP.

- i. Assessment District No. 17-03 (City of San Diego, County of San Diego) (Pacific Highland Ranch Unit 17)
- ii. Assessment District No. 17-04 (City of San Diego, County of San Diego) (Pacific Highlands Ranch Unit 20)
- iii. Assessment District No. 17-04 (City of Roseville, County of Placer) (Campus Oaks Apartments Phase 1)
- iv. Assessment District No. 17-06 (City of Lincoln, County of Placer) (Lakeside 6 Phase 2)
- v. Assessment District No. 17-07 (County of Placer) (Morgan Ranch)

- vi. Assessment District No. 17-02 (City of Brentwood, County of Contra Costa) (Sellers Avenue)
- vii. Assessment District No. 17-01 (City of Manteca, County of San Joaquin) (Evans Estates #5)
- viii. Assessment District No. 17-02 (City of Manteca, County of San Joaquin) (Sundance Unit 2)
- ix. Assessment District No. 17-03 (City of Manteca, County of San Joaquin) (Shadowbrook)
- x. Assessment District No. 17-01 (Coachella Valley Water District, County of Riverside) (Espana)

The Series 2017B pooled SCIP revenue bonds will be issued to acquire certain limited obligation bonds issued for the foregoing assessment districts and certain assessment districts previously formed, as described in the table below. The total anticipated financing for SCIP 2017B will now not exceed \$30,000,000 for the following nine (9) projects. Attachment A includes a breakdown of each assessment:

Local Agency	Project	Developer	Land Use	Units	Projected Assessment
City of Lincoln	Lakeside 6 Phase 2	John Mourier Construction,	Residential	52	1,769,293
County of Placer	Country House Memory Care	Agemark Corporation	Commercial	1	1,383,192
County of Placer	Morgan Ranch	HBT of Morgan Ranch LLC	Residential	61	1,643,631
City of San Diego	Pacific Highlands Ranch (Unit 17)	Pardee Homes	Residential	164	8,453,294
City of San Diego	Pacific Highlands Ranch (Unit 18)	Toll Brothers	Residential	69	3,577,692
City of San Diego	Pacific Highlands Ranch (Unit 20)	Pardee Homes	Residential	26	1,366,775
City of Manteca	Evans Estates #5	Rina's Grove, LP	Residential	69	898,379
City of Manteca	Sundance, Unit 2	Beacon Land Company	Residential	132	2,375,721
Sonoma County PRMD	Paseo Vista	Paseo Vista	Residential	162	5,022,024
<b>Total</b>				<b>736</b>	<b>26,490,000</b>

Inclusion of the foregoing assessment districts in the SCIP 2017B pool is dependent upon market and development conditions for each assessment district, and certain of such assessment districts may be removed from the pool with the advice of the underwriter and bond counsel.

#### **ESTIMATED SOURCES & USES:**

##### **Sources:**

Bond Proceeds	\$24,377,847.70
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##### **Uses:**

Project Fund	\$20,384,900.41
Capitalized Interest	\$ 822,423.85
Debt Service Reserve Fund	\$ 1,460,718.80
Cost of Issuance	\$ 1,116,250.00
Underwriter Discount	\$ 589,875.00
Additional Proceeds	<u>\$ 3,679.64</u>
	\$24,377,847.70

#### **RECOMMENDED ACTION:**

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

1. Open Consolidated Assessment Districts public hearing.
  - i. Assessment District No. 17-03 (City of San Diego, County of San Diego)
  - ii. Assessment District No. 17-04 (City of San Diego, County of San Diego)
  - iii. Assessment District No. 17-04 (City of Roseville, County of Placer)
  - iv. Assessment District No. 17-06 (City of Lincoln, County of Placer)
  - v. Assessment District No. 17-07 (County of Placer)
  - vi. Assessment District No. 17-03 (City of Antioch, County of Contra Costa)
  - vii. Assessment District No. 17-02 (City of Brentwood, County of Contra Costa)
  - viii. Assessment District No. 17-01 (City of Manteca, County of San Joaquin)
  - ix. Assessment District No. 17-02 (City of Manteca, County of San Joaquin)
  - x. Assessment District No. 17-03 (City of Manteca, County of San Joaquin)
  - xi. Assessment District No. 17-04 (City of Manteca, County of San Joaquin)
  - xii. Assessment District No. 17-01 (Coachella Valley Water District, County of Riverside)
2. Continue the following Assessment District public hearings to October 5, 2017:
  - i. Assessment District No. 17-03 (City of Antioch, County of Contra Costa)
  - ii. Assessment District No. 17-04 (City of Manteca, County of San Joaquin)
3. Close Assessment Districts public hearing.
4. Open Assessment Districts ballots and announce results.
5. Consideration of the following resolutions with respect to SCIP:
  - a. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments. (Attachment A)

- b. Resolution providing for the issuance of separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement. (Attachment B)
- c. Resolution authorizing the issuance, sale and delivery of not to exceed \$30,000,000 of SCIP Revenue Bonds, Series 2017B and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement. (Attachment C)
- d. Resolution abandoning proceedings for proposed Assessment District No. 17-05 (City of Roseville, County of Placer). The project is not ready to move forward at this time.

Diagram 1

New Projects to be included in Pooled Bonds	Jurisdiction	NTE Amount of CSCDA Series 2017B	Engineer's NTE	Difference between Engineer's NTE and CSCDA Series 2017B NTE	Open Consolidated Public Hearing	Continued Public Hearing to Oct. 5	1st Resolution		2nd Resolution		3rd Resolution	
							Approving Engineers Reports	Attachment A	Authorizing Issuance of Bonds	Attachment B	Authorizing Issuance of Series 2017B Bonds	Attachment C
1 Pacific Highland Ranch #17	SD 17-03	8,452,907.00	8,454,286.78	1,379.78	x		x		x		x	
2 Pacific Highland Ranch #20	SD 17-04	1,366,713.00	1,366,935.89	222.89	x		x		x		x	
3 Campus Oaks Phase 1	Roseville 17-04		4,576,324.83	4,576,324.83	x		x		x			
4 Lakeside 6 Phase 2	Lincoln 17-06	1,769,212.00	1,769,500.50	288.50	x		x		x		x	
5 Morgan Ranch	Placer 17-07	1,643,655.00	1,643,823.75	168.75	x		x		x		x	
6 Sellers Ave	Brentwood 17-02		3,012,052.68	3,012,052.68	x		x		x			
7 Evans Estates #5	Manteca 17-01	898,337.00	898,384.10	47.10	x		x		x		x	
8 Sundance Unit 2	Manteca 17-02	2,375,612.00	2,376,000.00	388.00	x		x		x		x	
9 Shadowbrook	Manteca 17-03		10,000,000.00	10,000,000.00	x		x		x		x	
10 Espana	Coachella 17-01		1,265,500.60	1,265,500.60	x		x		x			
<b>Additional Projects that could be included in Pooled Bonds</b>												
11 Country House Memory Care	Placer 17-02	1,383,129.00	1,383,354.85	225.85							x	
12 Pacific Highland Ranch #18	SD 17-02	3,577,529.00	3,578,112.57	583.57							x	
	Sonoma County											
13 Paseo Vista	16-03	5,028,006.00	5,028,827.00	821.00							x	
<b>Total</b>		<b>26,495,100.00</b>	<b>45,353,103.55</b>									

Projects that are Part of the Public Hearing with no Amounts in Approved Engineers Report and not included in Series 2017 B Bonds

14	Antioch 17-03	x	x	
15	Manteca 17-04	x	x	
Abandoned Project				
16	Roseville 17-05			x



## **ATTACHMENT A**

### **RESOLUTION NO. 17SCIP-[ResNo]**

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

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

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

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

**WHEREAS**, on July 6, 2017, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

**WHEREAS**, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on July 6, 2017, separate reports for each of the Districts containing the information regarding such Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

**WHEREAS**, this Commission, by separate resolutions duly adopted on July 6, 2017 (the "Resolutions of Preliminary Approval"), corresponding to each of the proposed Districts, preliminarily approved the reports, and fixed 2:00 p.m., or as soon thereafter as the matter might be heard, on September 7, 2017, at the offices of the California State Association of Counties, League of California Cities, 1400 K

Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the "Assessments"); and

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

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

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

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

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

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

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

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

**WHEREAS**, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

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

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

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a “majority protest,” as said term is defined by Article XIID, and this Commission hereby overrules the protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer’s Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.

Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer’s Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer’s Reports.

Section 6. Bonds representing unpaid Assessments, and bearing interest at a rate not to exceed twelve (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 7. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the administrator of SCIP (the “Program Administrator”) a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer’s Report between the preliminary approval thereof on July 6, 2017, and the approval of the Final Engineer’s Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount not to exceed the Assessments levied.

Section 8. The Program Administrator is hereby authorized and directed to prepare the auditors record for each District, pursuant to the Streets and Highways Code, and to transmit said auditors

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

Section 9. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and the notices of assessment in the office of the County Recorder of the County within which each District is located in the time, form and manner as required by law.

Section 10. This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** by the Commission of the California Statewide Communities Development Authority this September 7, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 7, 2017.

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

**EXHIBIT A**

<b>District Name</b>	<b>Project Name</b>	<b>Assessment/Local Obligation Amount</b>
Statewide Community Infrastructure Program Assessment District No. 17-01 (Coachella Valley Water District, County of Riverside, California)	Coachella Valley Water District (Espana)	\$1,265,500.60
Statewide Community Infrastructure Program Assessment District No. 17-01 (City of Manteca, County of San Joaquin, California)	Evans Estates #5	\$898,484.10
Statewide Community Infrastructure Program Assessment District No. 17-02 (City of Brentwood, County of Contra Costa, California)	Sellers Avenue	\$3,012,052.68
Statewide Community Infrastructure Program Assessment District No. 17-02 (City of Manteca, County of San Joaquin, California)	Sundance (Unit 2)	\$2,376,000.00
Statewide Community Infrastructure Program Assessment District No. 17-03 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 17)	\$8,454,286.78
Statewide Community Infrastructure Program Assessment District No. 17-03 (City of Manteca, County of San Joaquin, California)	Shadowbrook	\$10,000,000.00
Statewide Community Infrastructure Program Assessment District No. 17-04 (City of Roseville, County of Placer, California)	Campus Oaks Apartments (Phase 1)	\$4,576,324.83
Statewide Community Infrastructure Program Assessment District No. 17-04 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 20)	\$1,366,935.89
Statewide Community Infrastructure Program Assessment District No. 17-06 (City of Lincoln, County of Placer, California)	Lakeside 6 (Phase 2)	\$1,769,500.50
Statewide Community Infrastructure Program Assessment District No. 17-07 (County of Placer, California)	Morgan Ranch	\$1,643,823.75

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## ATTACHMENT B

### RESOLUTION NO. 17SCIP-[ResNo]

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

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

**WHEREAS**, this Commission, on July 6, 2017, adopted its Resolutions of Intention (the “Resolutions of Intention”) relating to the financing of certain development impact fees and capital improvements in the separate assessment districts (the “Districts”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

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

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

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

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

**WHEREAS**, the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

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

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

**WHEREAS**, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission, is expected from time to time to authorize its Statewide Community Infrastructure Program Revenue Bonds in one or more series (the "Revenue Bonds") pursuant to the same Trust Agreement as the Local Obligations to be acquired; and

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

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

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

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

- (a) The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the "SCIP Manual of Procedures" adopted by this Commission, as it may be amended from time to time.



(b) This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority, upon approval by the Authority of the issuance of the Revenue Bonds, shall be authorized pursuant to each and every requirement of law to issue the Local Obligations.

(c) A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount not to exceed the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the "California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds," with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued in one or more issuances and pursuant to the same or a separate Trust Agreement as other Local Obligations of the Authority.

(d) The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory"), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

(e) The Treasurer of the Authority and the Secretary of the Authority are hereby authorized and directed to execute the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

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

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

**PASSED AND ADOPTED** by the Commission of the California Statewide Communities Development Authority this September 7, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 7, 2017.

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

**EXHIBIT A**

<b>District Name (County)</b>	<b>Project Name</b>	<b>Local Obligation Amount</b>
Statewide Community Infrastructure Program Assessment District No. 17-01 (Coachella Valley Water District, County of Riverside, California)	Coachella Valley Water District (España)	per Engineer's Report, not to exceed \$1,265,500.60
Statewide Community Infrastructure Program Assessment District No. 17-01 (City of Manteca, County of San Joaquin, California)	Evans Estates #5	per Engineer's Report, not to exceed \$898,484.10
Statewide Community Infrastructure Program Assessment District No. 17-02 (City of Brentwood, County of Contra Costa, California)	Sellers Avenue	per Engineer's Report, not to exceed \$3,012,052.68
Statewide Community Infrastructure Program Assessment District No. 17-02 (City of Manteca, County of San Joaquin, California)	Sundance (Unit 2)	per Engineer's Report, not to exceed \$2,376,000.00
Statewide Community Infrastructure Program Assessment District No. 17-03 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 17)	per Engineer's Report, not to exceed \$8,454,286.78
Statewide Community Infrastructure Program Assessment District No. 17-03 (City of Manteca, County of San Joaquin, California)	Shadowbrook	per Engineer's Report, not to exceed \$10,000,000.00
Statewide Community Infrastructure Program Assessment District No. 17-04 (City of Roseville, County of Placer, California)	Campus Oaks Apartments (Phase 1)	per Engineer's Report, not to exceed \$4,576,324.83
Statewide Community Infrastructure Program Assessment District No. 17-04 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 20)	per Engineer's Report, not to exceed \$1,366,935.89
Statewide Community Infrastructure Program Assessment District No. 17-06 (City of Lincoln, County of Placer, California)	Lakeside 6 (Phase 2)	per Engineer's Report, not to exceed \$1,769,500.50
Statewide Community Infrastructure Program Assessment District No. 17-07 (County of Placer, California)	Morgan Ranch	per Engineer's Report, not to exceed \$1,643,823.75

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## **ATTACHMENT C**

### **RESOLUTION NO. 17SCIP-[ResNo]**

**A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$30,000,000 OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES 2017B; APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM**

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

**WHEREAS**, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) in connection with the formation of certain assessment districts identified in said proceedings, as identified on Exhibit A attached hereto (the “Districts”); and

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

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

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

**WHEREAS**, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority's Statewide Community Infrastructure Program Revenue Bonds, Series 2017B (the "Bonds"), to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance (the "Financing Program"); and

**WHEREAS**, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$30,000,000; and

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

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

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

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

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

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

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

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

(l) Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$30,000,000; provided, however, that (a) the true interest cost on the Bonds shall not exceed 6.0%, and (b) the maximum term of any maturity shall not extend beyond September 2, 2049.

(m) The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory") is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

(n) The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

(o) The form and substance of the Continuing Disclosure Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Agreement in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

(p) (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed "final" for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.

(d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

(q) The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority with respect to the transactions contemplated by this resolution are hereby ratified, confirmed and approved.

(r) This Resolution shall take effect immediately upon its passage



**PASSED AND ADOPTED** by the Commission of the California Statewide Communities Development Authority this September 7, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 7, 2017.

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

**EXHIBIT A<sup>1</sup>**

<b>District Name</b>	<b>Project Name</b>	<b>Assessment/Local Obligation Not to Exceed Amount</b>
Statewide Community Infrastructure Program Assessment District No. 17-01 (City of Manteca, County of San Joaquin, California)	Evans Estates #5	\$898,484.10
Statewide Community Infrastructure Program Assessment District No. 17-02 (City of Manteca, County of San Joaquin, California)	Sundance (Unit 2)	\$2,376,000.00
Statewide Community Infrastructure Program Assessment District No. 17-03 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 17)	\$8,454,286.78
Statewide Community Infrastructure Program Assessment District No. 17-02 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 18)	\$3,578,112.57
Statewide Community Infrastructure Program Assessment District No. 17-04 (City of San Diego, County of San Diego, California)	Pacific Highlands Ranch (Unit 20)	\$1,366,935.89
Statewide Community Infrastructure Program Assessment District No. 17-06 (City of Lincoln, County of Placer, California)	Lakeside 6 (Phase 2)	\$1,769,500.50
Statewide Community Infrastructure Program Assessment District No. 17-07 (County of Placer, California)	Morgan Ranch	\$1,643,823.75
Statewide Community Infrastructure Program Assessment District No. 17-02 (County of Placer)	Country House Memory Care	\$1,383,354.85
Statewide Community Infrastructure Program Assessment District No. 16-03 (County of Sonoma)	Paseo Vista	\$5,028,827.00

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<sup>1</sup> Assessment Districts may be eliminated from this list depending on market conditions, status of development, or other matters as determined by the appropriate officers and staff of the Authority.

**ATTACHMENT D**

**RESOLUTION NO. 17SCIP-\_\_\_\_\_**

**RESOLUTION ABANDONING PROCEEDINGS FOR THE PROPOSED  
ASSESSMENT DISTRICT NO. 17-05 (CITY OF ROSEVILLE, COUNTY  
OF PLACER, CALIFORNIA)**

**WHEREAS**, the Commission of the California Statewide Communities Development Authority (the “Commission”), on July 6, 2017, adopted a Resolution of Intention No. 17SCIP-38 (“Resolution No. 17SCIP-38”), by which the Commission established the proposed boundaries for a proposed assessment district to be known as the “Statewide Community Infrastructure Program Assessment District No. 17-05 (City of Roseville, County of Placer, California)” (the “Proposed Assessment District”); and

**WHEREAS**, the Commission approved the proposed boundary map of the Assessment District and directed the Secretary of the Authority to file a copy of the map in the office of the County Recorder of the County of Placer within fifteen (15) days of the adoption of Resolution No. 17SCIP-38; and

**WHEREAS**, the Commission designated a registered, professional engineer as Engineer of Work and directed the preparation of a report containing the matters prescribed by Sections 2961(b) and 10204 of the California Streets and Highways Code (the “Code”), as supplemented by Section 4 of Article XIID of the California Constitution; and

**WHEREAS**, the owners of certain real property situated in the City (the “Developers”) have requested that the Commission abandon these proceedings for the Proposed Assessment District, and this Commission, by this resolution wishes to do so;

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

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

Section 2. The proceedings for the Proposed Assessment District are hereby abandoned.

Section 3. The Superintendent of Streets is hereby authorized and directed to cause the preparation and recordation of a Notice of Discharge of Assessment Liens with the San Bernardino County Recorder, said notice to include the information specified by Section 3117 of the Streets and Highways Code as follows:

- (a) The date of adoption of this resolution.

(b) The date of adoption of the resolution of intention for the Proposed Assessment District, Resolution No. 17SCIP-38, was July 7, 2017.

(c) The boundary map for the Proposed Assessment District was filed for record in the office of the County Recorder of Placer County on [\_\_\_\_], 2017, in Book [\_\_] of Maps of Assessment and Community Facilities Districts, at Page [\_\_].

Section 4. This resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this September 7, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 7, 2017.

By \_\_\_\_\_

Authorized Signatory  
California Statewide Communities  
Development Authority

**ORDINANCE NO. 17ORD-1**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2017-2018  
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2017-01 (HORSE CREEK RIDGE)**

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

SECTION 1. Pursuant to California Government Code Sections 53316 and 53340, and in accordance with the Rate and Method of Apportionment (the “RMA”), as set forth in Exhibit E of Resolution No. 17SCIP-55 (the “Resolution of Intention”) adopted July 6, 2017, as incorporated into Resolution No. 17SCIP-58 (the “Resolution of Formation”) adopted August 17, 2017, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2017-01 (Horse Creek Ridge) (the “Community Facilities District”), a special tax is hereby levied on all taxable parcels within the Community Facilities District for the 2017-2018 fiscal year and for all subsequent fiscal years in the amount determined by the Community Facilities District in accordance with the RMA, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2. The Authority’s special tax consultant, currently Willdan Financial Services, 27368 Via Industria, Suite 200, Temecula, California 92590, telephone (951) 587-3575, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Formation) to be levied for the Community Facilities District, to prepare the annual Special Tax roll in accordance with the RMA, and to present the roll to the Commission for consideration.

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

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

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

SECTION 6. Taxpayers claiming that the amount of the Special Tax on their property is not correct are referred to Section 9 of the RMA for the proper claims procedure.

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

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

\* \* \*

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on August 17, 2017, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 7, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_

Authorized Signatory  
California Statewide Communities  
Development Authority