



REGULAR MEETING AGENDA
February 18, 2021 at 2:00 p.m.

Pursuant to Governor Newsom's Executive Order, Commissioners of the California Statewide Communities Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Kevin O'Rourke, Chair	_____ Brian Stiger, Member
_____ Tim Snellings, Vice Chair	_____ Marcia Raines, Member
_____ Brian Moura, Secretary	_____ Niroop Srivatsa, Alt. Member
_____ Jordan Kaufman, Treasurer	
_____ Dan Mierzwa, Member	
2. Consideration of the Minutes of the February 4, 2021 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

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. Grand & Linden Family Apartments, LP (Grand & Linden Family Apartments), City of South San Francisco, County of San Mateo; issue up to \$60,000,000 in multi-family housing revenue bonds.
 - b. St. Michaels, LP (St. Michaels Apartments), City of Riverside, County of Riverside; issue up to \$15,000,000 in multi-family housing revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2021 at ___: __ m, Signed _____. Please email signed page to info@cscda.org

6. Community Facilities District No. 2020-02, Improvement Area No. 1 (Atwell):
 - a. Consider the following resolution with respect to Community Facilities District No. 2020-02, Improvement Area No. 1 (Atwell):
 - i. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2020-02, Improvement Area No. 1 (Atwell), Special Tax Bonds, Series 2021; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.
7. PACE Funding Group Update (Information Only).

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, March 4, 2021 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR

1. Consideration of amendments to CaliforniaFirst PACE Master Indentures.

February 18, 2021



TABLE OF CONTENTS

February 18, 2021

Item 2	February 18, 2021 Minutes	Page	5
Item 3	Consent Calendar	Page	8
Item 5a	Grand & Linden Family Apartments	Page	9
Item 5b	St. Michaels Apartments	Page	18
Item 6	Atwell CFD	Page	27
Item 7	PACE Funding Update	Page	30



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

February 4, 2021 at 2:00 p.m.

Commission Secretary Brian Moura called the meeting to order at 2:03 pm.

1. Roll Call.

Commission members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa, Marcia Raines, and Niroop Srivatsa.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Norman Coppinger, Sendy Young, CSAC Finance Corporation; Trisha Ortiz, Richards Watson & Gershon; and Patricia Eichar, Orrick, Herrington & Sutcliffe.

2. Consideration of the Minutes of January 21, 2021 Regular Meeting.

The Commission approved the January 21, 2021 Regular Meeting minutes.

Motion to approve by M. Raines. Second by D. Mierzwa. Unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consideration of amendment to Petros PACE Finance agreement for services.

Motion to approve by J. Kaufman. Second by N. Srivatsa. Unanimously approved by roll-call vote.

4. Public Comment.

The Commission received comments from members of the public relating to a PACE financing for a property in the City of San Diego, and other general comments related to the Open PACE program.

5. Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) Assessment Districts for Series 2021A or a future bond issuance:

- a. Resolution abandoning proceedings for Statewide Community Infrastructure Program Assessment District No. 20-01 (Barrett Ranch (Phase I)) County of Sacramento.

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

- b. Resolutions of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps.

Motion to approve by N. Srivatsa. Second by M. Raines. Unanimously approved by roll-call vote.

- c. Resolutions preliminarily approving the engineer's reports, setting date for the public hearing of protests and providing for property owner ballots.

Motion to approve by M. Raines. Second by D. Mierzwa. Unanimously approved by roll-call vote.

6. Consideration of an agreement for services with DTA related to the discontinuation of services by Renovate America for Open PACE.

Executive Director Bando explained to the Commission that due to Renovate America shutting down its PACE operations, the option for property owners to prepay their PACE assessment needs to be assumed by CSCDA. DTA has built a software platform for CSCDA, the Western Riverside Council of Governments and the County of Los Angeles. CSCDA's Executive Director recommends approval of the agreement with DTA for prepayment payoff services.

Motion to approve by J. Kaufman. Second by N. Srivatsa. Unanimously approved by roll-call vote.

7. Consideration Quarterly Financials Update (Information Only).

Executive Director Bando gave an overview of CSCDA's quarterly financials. She highlighted that both PACE and SCIP are both above the amount budgeted for the year.

8. Executive Director Update.

Executive Director Bando informed the Commission that she continues serves on the CA Green Bond Development Committee. Unfortunately, there has been little advancement regarding the committee. She will continue to inform the Commission of any changes for now she recommends that CSCDA take no action.

Executive Director is also serving on the Disaster Catastrophe Committee, which is having better success. She encouraged Commissioners to attend their informational meetings.

9. Staff Update.

Staff had no update.

10. Adjourn.

The meeting was adjourned at 2:32 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, February 18, 2021 at 2:00 p.m.



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Agenda Item No. 3

Agenda Report

DATE: February 18, 2021
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

1. Consideration of amendments to CaliforniaFirst PACE Master Indenture.

Wilmington Trust as trustee to the CaliforniaFirst program has requested that CSCDA amend the Master Indentures to require that Renew Financial and/or DTA provide a detailed report to Wilmington Trust, upon which they can conclusively rely, how to apply the funds on deposit in the Redemption Fund and any related accounts. Jones Hall as PACE counsel has prepared and reviewed the documents.

Documents: https://www.dropbox.com/sh/asgtpvb8si5mxx/AADjXkcK691mVkc_rIZWxTb3a?dl=0



Agenda Item No. 5a

Agenda Report

DATE: February 18, 2021

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Grand and Linden Family Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of South San Francisco, County of San Mateo

AMOUNT: Not to Exceed \$60,000,000

EXECUTIVE SUMMARY:

Grand and Linden Family Apartments (the “Project”) is the new construction of an 84-unit rental housing project located in the City of South San Francisco. 100% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of an 84-unit affordable rental housing facility located at 201 Grand Avenue and 418 Linden Avenue in the City of South San Francisco.
- Two five-story buildings.
- Consists of studio, one, two and three-bedroom units, and two manager’s units.
- Common amenities include leasing office, bike storage, tenant storage, laundry room, homework room, community room, outdoor gathering space and a tot lot.

PROJECT ANALYSIS:

Background on Applicant:

ROEM Development Corporation is a full-service development and construction organization that specializes in the acquisition, planning, financing, new construction, renovation, and asset management of affordable housing for families and seniors. As a longstanding developer of multifamily housing, ROEM maintains its commitment to working locally and collaboratively to successfully complete developments with quality control and efficiency. ROEM has previously constructed or rehabilitated 25 multifamily and senior housing properties. This is ROEM’s 15th financing with CSCDA.

Public Agency Approval:

TEFRA Hearings: August 14, 2019 – City of South San Francisco – Unanimous Approval
February 10, 2021 – City of South San Francisco – Unanimous Approval

CDLAC Approval: September 16, 2020

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 51% (42 units) restricted to 50% or less of area median income households.
 - 49% (40 units) restricted to 80% or less of area median income households.
 - Two Manager's unit.
- The Project is in walking distance to parks, recreational facilities, retail shopping and public schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 41,915,000
Taxable Bonds:	\$ 12,994,920
City Loan:	\$ 3,500,000
County Loan:	\$ 2,500,000
Deferred Developer Fee:	\$ 8,607,820
Tax Credits:	<u>\$ 10,158,657</u>
Total Sources:	\$ 79,676,397

Uses of Funds:

Acquisition:	\$ 1,836,699
Construction Costs:	\$ 53,469,335
Architecture/Engineering:	\$ 1,353,357
Reserves:	\$ 793,754
Capitalized Interest:	\$ 5,627,763
Costs of Issuance:	\$ 280,821
Developer Fee:	\$ 8,267,819
Hard Cost Contingency:	\$ 4,603,509
Impact Fees:	\$ 556,089
Other Soft Costs:	<u>\$ 2,887,251</u>
Total Uses:	\$ 79,676,397

Finance Partners:

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

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: March 15, 2021

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:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

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. 21H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS GRAND AND LINDEN FAMILY APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

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

WHEREAS, Grand and Linden Family 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 Note (Grand and Linden Family Apartments) 2021 Series I-1 and its Multifamily Housing Revenue Taxable Note (Grand and Linden Family Apartments) 2021 Series I-2 (collectively, the “Notes”) to assist in the financing of the acquisition and construction of an 84-unit scattered-site multifamily housing rental development located in the City of South San Francisco, California, and known as Grand and Linden Family Apartments (the “Project”);

WHEREAS, on September 16, 2020, the Authority received an allocation in the amount of \$41,915,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the City of South San Francisco (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Notes;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$60,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project,

which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and moderate income persons;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto;

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

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

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Grand and Linden Family Apartments) 2021 Series I-1" and "California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Note (Grand and Linden Family Apartments) 2021 Series I-2" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$60,000,000; provided that the aggregate principal amount of any federally tax-exempt Note executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan

Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, attested by the 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. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Notes

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

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

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this February 18, 2021.

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 February 18, 2021.

By _____
Authorized Signatory

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: Grand and Linden Family Apartments LP
2. Authority Meeting Date: February 18, 2021
3. Name of Obligations: (Grand and Linden Family Apartments) 2021 Series I-1 (Tax-Exempt and Series I-2 (Taxable)).
4. ☒ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☐ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.30%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$1,462,144.19
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$40,452,855.81
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$66,404,155.59
5. The good faith estimates [provided above / attached as Schedule A] were ☐ presented to the governing board of the Borrower, or ☐ presented to the official or officials or committee designated by the governing board of the Borrower to

obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ___ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: February 18, 2021



Agenda Item No. 5b

Agenda Report

DATE: February 18, 2021

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: St. Michael's Apartments

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

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

EXECUTIVE SUMMARY:

St. Michaels Apartments (the "Project") is the new construction of a 50-unit rental housing project located in the City of Riverside. 80% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of a 50-unit affordable rental housing facility located at 4070 Jackson Street in the City of Riverside.
- Two two-story garden style buildings on a 3.5-acre site.
- Consists of one and two-bedroom units, and one manager's unit.
- Includes a playground, outdoor meeting spaces, community kitchen, parking and laundry facilities.

PROJECT ANALYSIS:

Background on Applicant:

Community Development Partners (CDP) develops and operates sustainable, life-enhancing affordable housing with a focus on long term community engagement. CDP is a leader of transformative change – responsible for creating life-enhancing affordable development projects that adhere to strict standards of environmentally, socially and economically responsible buildings and communities. CDP's mission is to repair and strengthen the fabric of cities and towns by meeting the housing needs of local citizens through the thoughtful planning and development of affordable communities. CDP is dedicated to providing the highest quality life-enhancing housing for qualifying low-income residents. Founded in 2012, CDP's multi-disciplinary team is comprised of real estate development experts who contribute diverse backgrounds in both affordable and

market-rate development. Its goal is to weave a sense of community into each of the projects completed. The Project is CDP's eighth financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: February 4, 2020 – City of Riverside – Unanimous Approval
Another TEFRA hearing is scheduled for March 2, 2021 to extend the existing expiring TEFRA resolution. CSCDA approval will be contingent upon the new TEFRA approval by the City.

CDLAC Approval: September 16, 2020

Public Benefits:

- 80% of the units will be rent restricted for 55 years.
 - 51% (25 units) restricted to 50% or less of area median income households.
 - 29% (14 units) restricted to 60% or less of area median income households.
 - One Manager's unit.
- The Project is in walking distance to parks, recreational facilities, retail shopping and public schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 10,947,285
Taxable Bonds:	\$ 3,000,000
City Loan:	\$ 2,000,000
Deferred Developer Fee:	\$ 2,213,070
Tax Credits:	<u>\$ 1,459,070</u>
Total Sources:	\$ 19,619,425

Uses of Funds:

Acquisition:	\$ 0
Construction Costs:	\$ 13,139,683
Architecture/Engineering:	\$ 723,484
Reserves:	\$ 252,297
Capitalized Interest:	\$ 1,306,229
Costs of Issuance:	\$ 175,000
Developer Fee:	\$ 2,213,070
Contingency:	\$ 662,484
Impact Fees:	\$ 549,586
Other Soft Costs:	<u>\$ 597,592</u>
Total Uses:	\$ 19,619,425

Finance Partners:

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

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: March 15, 2021

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:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

1. Approves the issuance of the Bonds and the financing of the Project; subject to the additional TEFRA approval by the City of Riverside;
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. 21H- __

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

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the "Agreement"), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction and/or 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, St. Michaels LP, a California limited partnership, and entities related thereto (the "Borrower"), has requested that the Authority execute and deliver its Multifamily Housing Revenue Note (St. Michaels Apartments) 2021 Series J (the "Note") to assist in financing the acquisition and construction of a 50-unit multifamily housing rental development located in the City of Riverside, California (the "City"), and to be known as St. Michaels Apartments (the "Project");

WHEREAS, on September 16, 2020, the Authority received a private activity bond volume cap allocation in the amount of \$10,947,285 (the "Allocation Amount") from the California Debt Limit Allocation Committee ("CDLAC") in connection with the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority and shall authorize the issuance, execution and delivery of tax-exempt obligations for the purpose of financing the Project;

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

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto;

WHEREAS, the Note will be executed and delivered to BBVA Mortgage Corporation (the "Funding Lender"), as the initial holder of the Note in accordance with the Authority's private placement policies and thereafter Citibank, N.A., ("Citibank") subject to the satisfaction of the terms and conditions set forth in that certain Forward Purchase Agreement by and among the Borrower, the Funding Lender and Citibank; and

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (St. Michaels Apartments) 2021 Series J" including, if and to the extent necessary, one or more series or sub-series with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$15,000,000; provided that the aggregate principal amount of any federally tax-exempt obligations shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment or redemption premium, if any, and interest on,

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

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project, the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, assignment(s) of deed(s) of trust, any endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, and the other documents herein approved, and any documents or amendments which may be necessary to terminate any prior documents or instruments, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note, and to effectuate the purposes thereof and of the

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

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and the other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this February 18, 2021.

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 February 18, 2021.

By _____
Authorized Signatory

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Statewide Communities Development Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its Commission (the "Commission") at which Meeting the Commission will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: **St. Michael's LP**
2. Authority Meeting Date: **February 18, 2021**
3. Name of Obligations: **St. Michael's**
4. ☒ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☐ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): **_4.32%.**
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$_303,781.03**
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: **\$_10,643,503.97**
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): **\$_14,663,308.13**
5. The good faith estimates [provided above / attached as Schedule A] were ☐ presented to the governing board of the Borrower, or ☐ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a

governing board, ____ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: February 18, 2021

Agenda Item No. 6

Agenda Report

DATE: February 18, 2021

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Atwell (City of Banning) – Community Facilities District

PURPOSE: Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2020-02, Improvement Area No. 1 (Atwell), Special Tax Bonds, Series 2021; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

EXECUTIVE SUMMARY:

- On June 18, 2020 the Commission approved the following to initiate the formation of the Atwell CFD for the City of Banning: (1) a joint community facilities agreement; (2) a declaration of intention to levy a special tax; and (3) a resolution to incur bond indebtedness.
- On July 23, 2020 the public hearing was conducted, a resolution forming the district was approved and the election was conducted.

The actions requested today are the third and final step for the issuance of bonds for the Atwell CFD.

BACKGROUND:

Pardee Homes has an approved master planned community in the City that will create up to 4,862 single and multifamily residential developments, with neighborhood and community parks, trails, a community center, and 2 elementary school sites. The financing will include the following improvements, fees and maintenance:

Public Capital Improvements:

- a. Public Streets, Freeway Interchange and other related improvements within public right of way
- b. Potable and Non-Potable Water Facilities
- c. Sewer Facilities

- d. Dry Utilities
- e. Public Parks, Park and Ride Lots, Community Center, Open Space and Landscaping
- f. Storm Water Drainage, Retention and Detention Facilities
- g. Fire Facilities, Police Facilities and other Government Facilities

City of Banning Development Impact Fees:

- a. Fire Facilities
- b. Police Facilities
- c. Traffic Control Facilities
- d. General Plan
- e. Park Land Development
- f. General City Facilities
- g. Energy Conservation
- h. New Electrical Service
- i. Water Connection
- j. Water Meter
- k. Sewer/Wastewater Connection
- l. Any other Capital Improvement, Development Impact, Mitigation, Capacity or Connection Fees and Charges

Maintenance:

The types of services authorized to be financed are police protection services, fire protection and suppression services, ambulance and paramedic services, lighting of parks, parkways, streets, traffic signals, roads and open space, flood and storm protection and water quality improvement services.

Finance Partners:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Underwriter:	RBC Capital Markets, San Francisco
Special Tax Consultant:	Willdan Financial Services, Temecula

SB 450 Good Faith Estimates:

- 1. TIC: 3.348%
- 2. Sum of all fees and charges paid to third parties: \$880,500
- 3. Net Proceeds: \$18,629,859
- 4. Total Net Debt Service (+Annual Fees): \$34,846,107

ESTIMATED SOURCES & USES:

Sources:

Bond Proceeds	\$18,810,000
Premium	<u>\$ 2,155,891</u>
	\$20,965,891

Uses:

Project Fund	\$18,629,859
Capitalized Interest	\$ 23,631
Debt Service Reserve Fund	\$ 1,431,901
Cost of Issuance	\$ 504,300
Underwriter Discount	<u>\$ 376,200</u>
	\$20,965,891

FINANCE TERMS:

Rating:	Non-rated
Term:	30 years
Structure:	Fixed Rate
Method of Sale:	Public Offering

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends approving the following resolution and actions:

1. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2020-02, Improvement Area No. 1 (Atwell), Special Tax Bonds, Series 2021; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

Documents: <https://www.dropbox.com/sh/ncerhwuh6hs0v9s/AADhffH0FPeo-G7sDOkoaTDna?dl=0>



PACE FUNDING GROUP

COMPLIANCE UPDATE

February 18, 2021

PACE CONSUMER PROTECTIONS EXCEED OTHER CONSUMER FINANCING OPTIONS

	PACE	HELOC	Unsecured Debt
Fixed rate/ fully amortizing	✓	✗	✗
Price cap protection on project cost	✓	✗	✗
Minimum level of equity in home required	✓	✓	✗
Can't be delinquent on property related debt	✓	✓	✗
Loan to value limit	✓	✓	✗
Can't be in bankruptcy	✓	✗	✗
Terms verification call to confirm understanding of financing	✓	✗	✗
Additional call to elderly (over 80) after contractor leaves house	✓	✗	✗
Certificate of completion required before funding	✓	✗	✗
Completion call before funding to verify project completed	✓	✗	✗
Third party inspection verifying project completed before funding	✓	✗	✗
Rigorous contractor oversight and training	✓	✗	✗

For consumers, PACE is one of the safest forms of home improvement financing

UNIQUE ASPECTS TO PACE THAT REQUIRE ADDED LEVELS OF COMPLIANCE MEASURES

- ⌵ **Included in property taxes-** delinquencies can lead to foreclosure
- ⌵ **Delayed payments-** payments can be delayed for up to 18 months which causes problems that can go undetected for months until property tax bill arrives
- ⌵ **Time lag in recording assessment-** recording liens on tax roll can take up to 2+ weeks after PACE documents signed
- ⌵ **Government affiliation-** approval by local municipalities can be misconstrued as government program

AB-1284 LEGISLATION FIXED A NUMBER OF ISSUES

- Required ability-to-pay underwriting criteria
- Eliminated extra aggressive property valuations
- Required verification that homeowner understands PACE
- Required PACE training required for contractors/sales reps
- Prohibited showing maximum approval amount to contractors
- Prohibited marketing as a government program
- Prohibited saying PACE payment is fully deductible for tax purposes
- Prohibited contractor payments (“SPIFFS”)

AND TECHNOLOGY INCREASINGLY EFFECTIVE IN DETECTING FRAUD

Homeowner Impersonation

IDOLOGY

idicore™

EKATA

JUMIO®

Contractor Coercion/Customer Collusion

Truepic

Assessment Stacking: Double-Billing

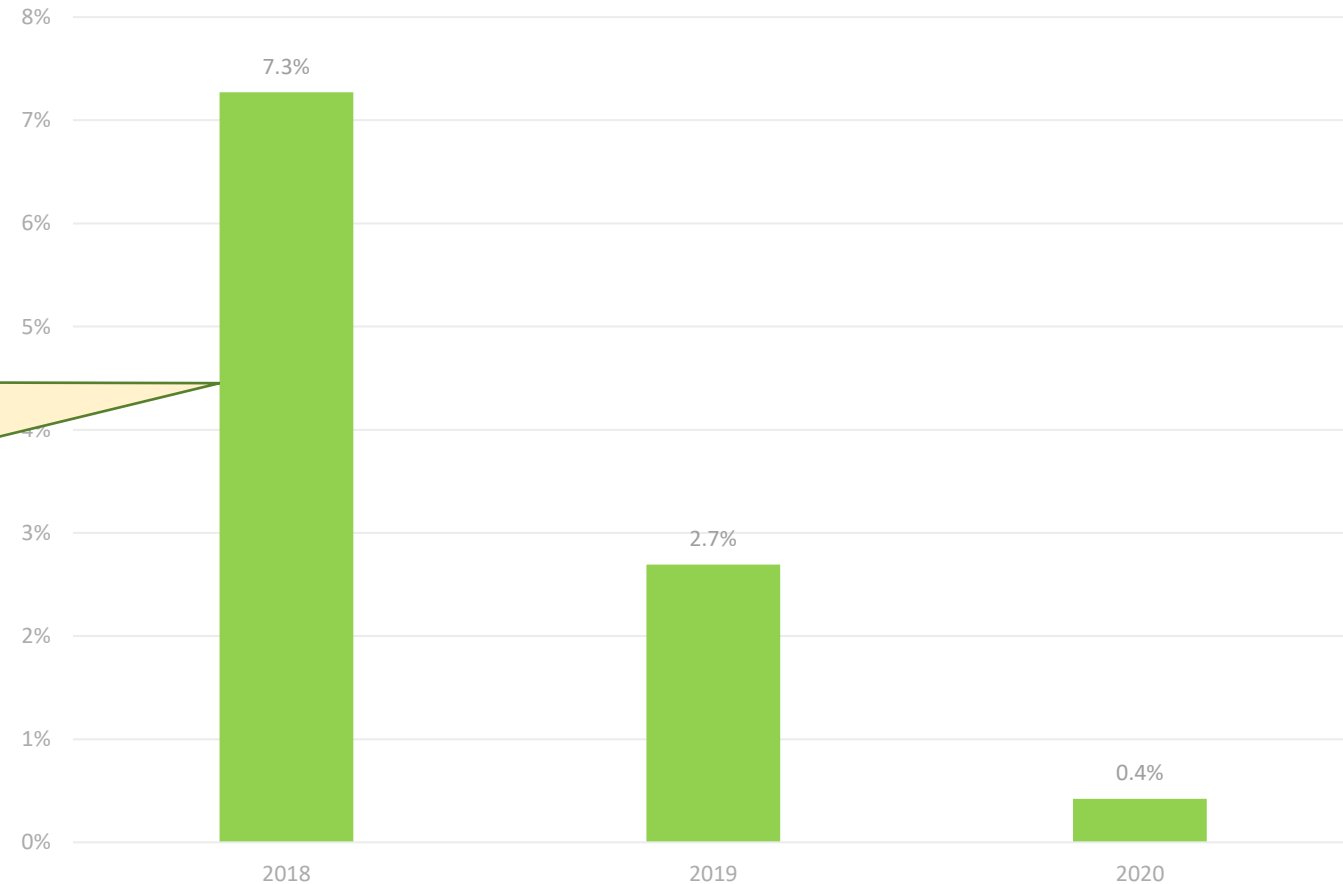
Spring

Assessment Stacking: Evasion of PACE Limits

Spring

COMPLIANCE AND FRAUD DETECTION UPGRADES WORKING- SHARP REDUCTION IN COMPLAINT RATES

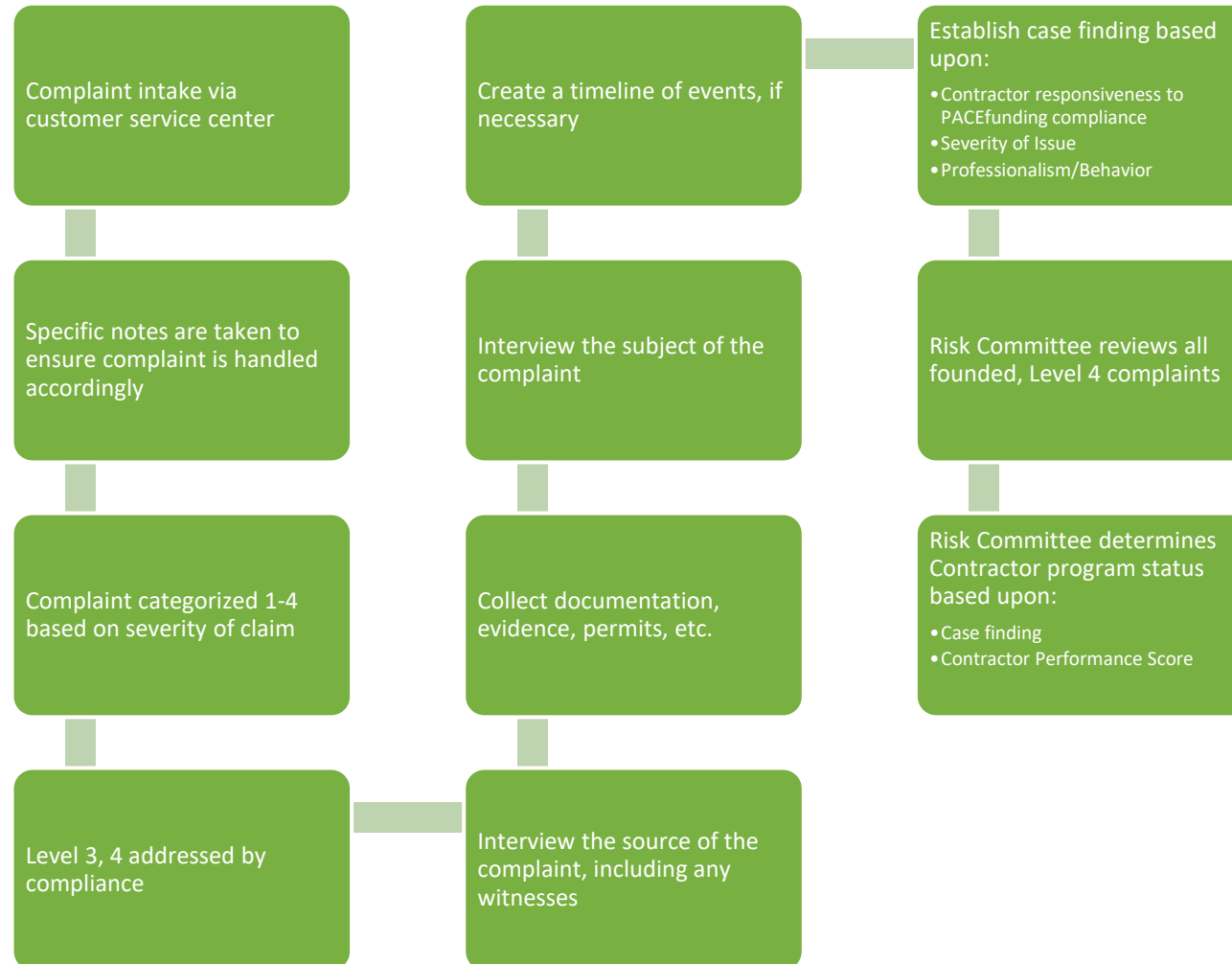
Complaint Rate



75 complaints in 2018
related to 4 bad actors;

1. Green Nation Direct
2. Eco Technology
3. Peoples Builders
4. Perfect Construction

PFG DILIGENT CONSUMER COMPLAINT RESOLUTION PROCESS



COMPLIANCE AND FRAUD DETECTION MEASURES WORKING- LIST OF CONTRACTORS TERMINATED IN 2020

CA	Sabala Construction
CA	Prestige Solar
CA	Edwards Builders
CA	Home Solution
CA	HVA Construction
CA	Mike Santana
CA	Paradise Renewables
CA	Stephen Griffin Construction
CA	Sterling Builders
CA	DC Roofing

CA	Capital Builders
CA	Demo Leaders Inc. DBA Moral Builders
CA	Williams Brothers Building and Construction
CA	At Your Service Construction
CA	Eco Renovations
CA	Lee's Concrete
CA	TMK
CA	Alpha Air Pro
CA	Omega Home Remodeling
CA	Niche Builders

COMPLIANCE AND FRAUD DETECTION MEASURES WORKING- LIST OF CONTRACTORS TERMINATED IN 2020 (continued)

CA	Easy SoCal
CA	Apple Home Developers
CA	Community Solar
CA	Eco Alliance
CA	EcoStar Remodeling & Construction
CA	Roberto Ayalya
CA	SunCosmic Builders Inc
CA	Technician Inc., DBA Energy Upgrades
CA	Ultimate Green
CA	Homefor2

CA	Viridi Construction
CA	Energy Remodeling
CA	NRG Builders
CA	Space Aces
CA	California NRG
CA	True Renewable Energy Inc.
CA	Paars Design & Build
CA	Advanced Design General Construction DBA Advanced Design General Custom
CA	Energy Star Construction

PFG COMPLIANCE DEPARTMENT

