REGULAR MEETING AGENDA
December 16, 2021
2:00 pm

Pursuant to Governor Newsom's Executive Order, Commissioners of the California Statewide Pursuant to *Government Code Section 54953(e) (Assembly Bill 361), 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 experience technical problems with the telephonic meeting, please contact info@cscda.org or 1-800-531-7476 for assistance. 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	____	Matt Jennings, Alt. Member
____	Dan Mierzwa, Member		

2. Consideration of the Minutes of the December 2, 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. Chinese Hospital Association, City & County of San Francisco, issue up to $103,000,000 in commercial PACE and nonprofit bonds.

b. Centennial Gardens LP (Centennial Gardens Apartments), City of Santa Maria, County of Santa Barbara; issue up to $65,000,000 in multi-family housing revenue bonds.

6. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One potential case)

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

7. Executive Director Update.

8. Staff Updates.

9. Adjourn.

NEXT MEETING: Thursday, January 6, 2022 at 9:00 a.m.

CONSENT CALENDAR

1. Consideration of membership in the Council of Development Finance Agencies (CDFA).

2. Inducement of Villa Verde Housing Partners, LP (Villa Verde Apartments), City of Santa Fe Springs, County of Los Angeles; issue up to $20 million in multi-family housing revenue bonds.

3. Inducement of Harvard Adams Housing Partners, LP (Adam Blvd. & Harvard Gardens Apartments), City of Los Angeles, County of Los Angeles; issue up to $22 million in multi-family housing revenue bonds.

4. Inducement of Palmer Park Housing Partners, LP (Villa Verde Apartments), City of Glendale, County of Los Angeles; issue up to $10 million in multi-family housing revenue bonds.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

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CSCDC

MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 2, 2021
2:00 pm or upon adjournment of the CSCDA CIA Meeting

Commission Chair Kevin O'Rourke called the meeting to order at 2:17 pm.

1. Roll Call.

   Commission members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Dan Mierzwa, and Marcia Raines.

   Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Sendy Young, CSAC Finance Corporation; and Trisha Ortiz, Richards Watson & Gershon.

2. Consideration of the Minutes of the November 18, 2021 Meeting.

   The Commission approved the November 18, 2021 Regular Meeting.

   Motion to approve by B. Moura. Second by D. Mierzwa. Unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

   The Commission approved the Consent Calendar.

   1. Consider a resolution authorizing public meetings to be held via teleconferencing pursuant to Government Code Section 54953(e) and making findings and determinations regarding same.

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

4. Public Comment.

   There was no public comment.

5. Consideration of PACE administration agreement amendment.

   Executive Director Barna reported that CSCDA PACE Administration Agreement has been updated to reflect today's current PACE environment. CSCDA's Executive Director recommended the approval of the PACE Administration Agreement amendment for consideration and execution by residential PACE Administrators.

   Motion to approve by T. Snellings. Second by D. Mierzwa. Unanimously approved by roll-call vote.

6. Consideration of Forbright Bank as a CSCDA commercial Open PACE Capital Provider.

   Executive Director Barna reported that CSCDA received a proposal from Forbright Bank for commercial PACE only Capital Provider under the CSCDA Open PACE program. As a Capital Provider Forbright Bank would not have a contract with CSCDA, and all transactions would need to be brought back to the Commission for approval. CSCDA's Executive Director recommended the approval of Forbright Bank as a new commercial Open PACE Capital Provider.

   Motion to approve by B. Moura. Second by T. Snellings. Unanimously approved by roll-call vote.

7. Consideration of Lieef Real Estate Energy Partners as a CSCDA commercial Open PACE Capital Provider.

   Executive Director Barna reported that CSCDA received a proposal from Lieef Real Estate Energy Partners for commercial PACE only Capital Provider under the CSCDA Open PACE program. As a Capital Provider Lieef would not have a contract with CSCDA, and all transactions would need to be brought back to the Commission for approval. CSCDA's Executive Director recommended approval of Lieef Real Estate Energy Partners as a new commercial Open PACE Capital Provider.

   Motion to approve by B. Moura. Second by T. Snellings. Unanimously approved by roll-call vote.

8. Executive Director Update.

   Executive Director Barna thanked the Commission for registering for the CSCDA Annual Meeting.

9. Staff Update.

   Staff reported that a meeting on December 9, 2021 will not be necessary.

10. Adjourn.

    The meeting was adjourned at 2:19 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 16, 2021 at 2:00 p.m.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 3

Agenda Report

DATE: December 16, 2021

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consent Calendar

SUMMARY:

1. Consideration of renewal of membership with the Council of Development Finance Agencies (CDFA).

   CDFA is the national development finance association for conduit issuers and the association represents the interests of conduit issuers in Washington DC. The annual membership cost is $900.

RESOLUTION NO. 21H-__

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 December 16, 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 said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on December 16, 2021.

By: ___________________________________
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Villa Verde Apartments	City of Santa Fe Springs, County of Los Angeles	34	Acquisition and Rehabilitation	Villa Verde Housing Partners, LP	$20,000,000
Adam Boulevard & Harvard Gardens Apartments	City of Los Angeles, County of Los Angeles	35	Acquisition and Rehabilitation	Harvard Adams Housing Partners, LP	$22,000,000
Palmer Park Manor Apartments	City of Glendale, County of Los Angeles	12	Acquisition and Rehabilitation	Palmer Park Housing Partners, LP	$10,000,000

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 5a

Agenda Report

DATE: December 16, 2021

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Chinese Hospital Association

PURPOSE: Authorize the issuance of commercial PACE bonds and nonprofit bonds to finance energy efficiency improvements, water conservation improvements, seismic retrofit and safety improvements.

AMOUNT: Not to Exceed $103,000,000

EXECUTIVE SUMMARY:

Chinese Hospital Association ("CHA") is a community-owned, not-for-profit organization that was established in 1923. CHA opened the Chinese Hospital at 835 Jackson Street in San Francisco in 1925.

- In 2012, the original building at 835 Jackson Street was torn down to begin construction of a new acute care facility that would meet seismic standards.
- On April 18, 2016, CHA opened a new, 100,000 square foot, 8-story patient tower (the "New Hospital Facility"); the New Hospital Facility cost an estimated $160 million.
- The New Hospital Facility includes a 24-Hour Emergency Department, a unit for acute care, an Intensive Care Unit, state-of-the-art diagnostic imaging equipment, surgical suites, and a telemetry unit.
- The New Hospital Facility includes 88 beds --a 66% increase from the prior building.

The proposed financing is intended to refinance existing outstanding bonds used for the New Hospital Facility, and an existing PACE financing issued by CSCDA in 2019.

PROJECT ANALYSIS:

About the Financing:

The original financing plan for the New Hospital Facility included the following sources (net of financing costs):

Source	Amount
CHA equity	$77,311,926
2012 Bonds construction proceeds[1]	52,292,039
2019 PACE Bonds construction proceeds[2]	30,549,760
Total	$160,153,725

GreenRock Capital, LLC ("GreenRock") and Poppy Bank both approved CSCDA Open PACE commercial PACE administrators in collaboration with BuildPrep, have determined that approximately $97.9 million in costs of the New Hospital Facility are eligible costs ("PACE-eligible costs") including energy efficiency, water efficiency and seismic strengthening improvements.

Financing Opportunity:

Outstanding 2012 Bonds. The 2012 Bonds are outstanding in the principal amount of approximately $56 million. The final maturity of the 2012 Bonds is June 1, 2042, and the outstanding maturities have an average true interest cost of 4.85%. The 2012 Bonds are subject to redemption on June 1, 2022, without premium.

Outstanding 2019 PACE Bonds. The 2019 PACE Bonds are outstanding in the principal amount of $26 million. The final maturity of the 2019 PACE bonds is September 2, 2049, and the interest rate on the 2019 PACE Bonds is 6.3%. The 2019 PACE Bonds are subject to redemption on March 2, 2022 at a redemption price equal to the outstanding principal amount, plus accrued interest to the redemption date, plus a redemption premium of 4%.

[1] The California Health Facilities Financing Authority ("CHFFA") issued its $65,000,000 initial principal amount Insured Revenue Bonds (Chinese Hospital Association), Series 2012 ("2012 Bonds") to finance the New Hospital Facility.

[2] CSCDA issued its $36,000,000.00 California Statewide Communities Development Authority, Open PACE Limited Obligation Improvement Bonds, Commercial PACEDirect Series 2019-NR4 ("2019 PACE Bonds") to finance the New Hospital Facility.

Economic Benefits of the Proposed Transaction:

- One series of tax-exempt, qualified 501c3 bonds would be issued to provide funds to CHA to prepay its assessment obligation related to the 2019 PACE Bonds. The San Francisco Controller's Office of Public Finance has held the TEFRA hearing for these bonds on November 23, 2021. Final approval of the TEFRA is anticipated the first week of January, 2022. Any approval by the Commission will be subject to the City & County of San Francisco's TEFRA approval.

- One series of federally taxable bonds would be issued to provide funds to CHA to finance and refinance the PACE-eligible improvements that were not financed by the 2019 PACE Bonds. The property owner will use a portion of these funds to cause a redemption of the 2012 Bonds.

The financing will result in cash flow reductions to CHA in the first 10 years of approximately $16 million from capitalizing the first two years of interest on the new PACE bonds and lower interest rates. The bonds will have a 10-year interest-only period, which will reduce CHA cash flow in the first 10 years by another $23 million.

The NPV savings generated by refunding the 2019 PACE Bonds will be approximately $12.3 million (approximately 34% of the outstanding principal amount of the 2019 PACE Bonds), and that the net present value savings generated by refunding the 2012 Bonds will be approximately $5.4 million (approximately 9.6% of the outstanding principal amount of the 2012 Bonds).

Request for Policy Waiver:

CHA has requested for a PACE policy waiver. CSCDA has adopted a policy that it will provide initial financing for PACE-eligible projects that were completed no earlier than 3 years prior to the financing. The policy is PACE industry driven and not dictated by statute. As described above, the New Hospital Facility opened on April 18, 2016 which would be 5 ½ years prior to the financing. Due to the financial benefits to CHA, and the importance of providing affordable healthcare it is recommended that the 3-year policy be waived for the CHA financing.

Public Benefits:

Facilities:

• 1 Acute Care Facility (New Hospital Facility)

• 1 Outpatient Center (Annex)

• 4 Multispecialty Clinics • 2 East-West Clinics

Employment:

• 436 employees (Largest employer in San Francisco Chinatown)

Volume of Care

• 1,040 Inpatient Admissions • 36,074 Outpatient Visits

Demographics (Inpatient)

- 88% Age 60+
- 91% Medicare / Medi-Cal

Sources and Uses:

Taxable Bond Proceeds:	$ 62,066,073
Tax-Exempt Bond Proceeds:	$ 40,604,451
Total Sources:	$102,670,524
Uses of Funds:	
2012 Refunding:	$ 56,365,000
2019 Refunding:	$ 37,440,000
Capitalized Interest:	$ 7,833,699
Costs of Issuance:	$ 1,031,825
Total Uses:	$102,670,524

Finance Partners:

PACE Counsel:	Jones Hall, San Francisco, California
Authority Counsel:	Orrick, Herrington & Sutcliffe, Sacramento, California
PACE Assessment Administrator:	DTA Finance, Newport Beach, California
PACE Audit:	BuildPrep, San Francisco, California
Private Placement Purchaser:	Poppy Bank, Santa Rosa, California
Open PACE Administrator:	GreenRock Capital LLC, Larkspur, California

Finance Terms:

Anticipated Rating:	Unrated
Term:	25 years at a fixed interest rate
Structure:	Private Placement
Estimated Closing:	January 19, 2022

<u>CSCDA Policy Compliance</u>:

With the waiver of CSCDA's 3-year look-back policy for commercial PACE projects, the financing complies with CSCDA's general, issuance and PACE policies.

DOCUMENTS:
https://www.dropbox.com/sh/nmth46korulrir9/AAAEkOviIs0pdR75edwl16W2a?dl=0

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project, subject to final TEFRA approval by the City and County of San Francisco.

2. Approve PACE policy exception for 3-year lookback of related PACE improvements;

3. Approves all necessary actions and documents in connection with the financing; and

4. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 5b

Agenda Report

DATE: December 16, 2021

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Centennial Gardens Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Santa Maria, County of Santa Barbara

AMOUNT: Not to Exceed $65,000,000

EXECUTIVE SUMMARY:

Centennial Gardens Apartments (the "Project") is the new construction of a 160-unit rental housing project located in the City of Santa Maria. 100% of the units will be rent restricted for very low and low-income residents.

PROJECT DESCRIPTION:

- Construction of a 160-unit affordable rental housing facility located at corner of South Street and West Battles Road in Santa Maria.
- Nine residential buildings located on 8.3-acre site.
- Consists of two-bedroom, three-bedroom and four-bedroom units and one manager's unit.
- Project includes a community building with a computer lab, fitness center, community room with kitchenette and a laundry room.
- On-site services for children and adult education.
- Two playgrounds, splash pad, BBQ area, tether ball courts, and soccer field.

PROJECT ANALYSIS:

<u>Background on Applicant</u>:

MacDonald Ladd Development is a developer and owner of multiple affordable family and senior housing developments. MacDonald Ladd Development has been involved in the construction, acquisition and rehabilitation of more than 8,000 affordable rental units for 60 properties nationwide. This is MacDonald Ladd's second financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: November 16, 2021 – City of Santa Maria – unanimous approval

CDLAC Approval: August 11, 2021

Public Benefits:

- 100% of the total units will be rent restricted for 55 years.
  - 10% (16 units) restricted to 30% or less of area median income households.
  - 10% (16 units) restricted to 50% or less of area median income households.
  - 40% (63 units) restricted to 60% or less of area median income households.
  - 40% (64 units) restricted to 70% or less of area median income households.
  - One manager's unit.
- The Project is in walking distance to parks, recreational facilities, grocery stores and other retail establishments.

Sources and Uses:

Sources of Funds:	
Tax-Exempt Bonds:	$ 39,221,000
Taxable Bonds:	$ 12,773,159
Tax Credit Equity:	$ 7,458,785
Deferred Developer Fee:	$ 6,387,491
Total Sources:	$ 65,840,435
Uses of Funds:	
Land & Acquisition:	$ 3,528,642
Construction Costs:	$ 41,368,365
Architecture & Engineering:	$ 692,000
Interest/Permanent Financing Fees:	$ 5,889,942
Reserves:	$ 1,565,004
Developer Fee:	$ 7,514,695
Costs of Issuance:	$ 316,160
Soft Costs:	$ 4,965,627
Total Uses:	$ 65,840,435

Finance Partners:

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

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

Private Placement Purchaser: Berkadia

<u>Finance Terms</u>:

Rating:	Unrated
Term:	35 years
Method of Sale:	Private Placement
Estimated Closing:	January 15, 2022

<u>CSCDA Policy Compliance</u>:

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.

RESOLUTION NO. 21H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $65,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CENTENNIAL GARDENS; 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, Centennial Gardens LP, a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver (i) its Multifamily Housing Revenue Note (Centennial Gardens) 2022 Series A-1 (the "Series A-1 Note"), and (ii) its Multifamily Housing Revenue Note (Centennial Gardens) 2022 Series A-2 (the "Series A-2 Note" and together with the Series A-1 Note, the "Notes") to assist in the financing of the acquisition and construction of a 160-unit multifamily housing rental development located in the City of Santa Maria, California, and known as Centennial Gardens (the "Project");

WHEREAS, on August 11, 2021, the Authority received an allocation in the amount of $32,221,000 of private activity volume cap (the "Baseline Allocation Amount") from the California Debt Limit Allocation Committee ("CDLAC") in connection with the Project;

WHEREAS, as part of its application to CDLAC made in connection with the Project, the Authority indicated its intention to use up to $7,000,000 in recycled volume cap (the "Recycled Volume Cap Allocation Amount" and, together with the Baseline Allocation Amount, the "Allocation Amount") in connection with the Project;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed $65,000,000, provided that the portion of the Series A-1 Note executed and delivered as federally tax-exempt obligations shall not exceed the Baseline Allocation Amount and the portion of the Series A-2 Note executed and delivered as federally tax-exempt obligations shall not exceed the Recycled Volume Cap 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 very low income persons;

WHEREAS, the Notes will be executed and delivered to Berkadia Commercial Mortgage LLC, a Delaware limited liability company, or an entity related thereto, as lender ("Funding Lender"), as the initial holder of the Notes, in accordance with the Authority's private placement policy;

WHEREAS, the Federal Home Loan Mortgage Company, a shareholder-owned government-sponsored enterprise ("Freddie Mac") has entered into an agreement with the Funding Lender whereby Freddie Mac has committed to facilitate the permanent financing of the Project by purchasing the Funding Loan as evidenced by the Series A-1 Note from Berkadia Commercial Mortgage LLC, a Delaware limited liability company, or an entity related thereto (the "Freddie Mac Seller/Servicer"), subject to such Freddie Mac Seller/Servicer's purchase of the Funding Loan as evidenced by the Series A-1 Note from the Funding Lender subject to satisfaction of certain conditions as described in the Series A-1 Funding Loan Agreement (defined below);

WHEREAS, the City of Santa Maria (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, 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, 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 "Series A-1 Funding Loan Agreement") to be entered into among the Funding Lender, the Authority and Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent") with respect to the Series A-1 Note;

(2) Project Loan Agreement (the "Series A-1 Project Loan Agreement") to be entered into among the Authority, the Fiscal Agent and the Borrower with respect to the Series A-1 Note;

(3) Funding Loan Agreement (the "Series A-2 Funding Loan Agreement" and together with the Series A-1 Funding Loan Agreement, the "Funding Loan Agreements") to be entered into among the Funding Lender, the Authority and the Fiscal Agent with respect to the Series A-2 Note;

(4) Project Loan Agreement (the "Series A-2 Project Loan Agreement" and together with the Series A-1 Project Loan Agreement, the "Project Loan Agreements") to be entered into among the Authority, the Fiscal Agent and the Borrower with respect to the Series A-2 Note; and

(5) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), to be entered into between the Authority and the Borrower with respect to the Notes.

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, the respective Funding Loan Agreements, 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 (Centennial Gardens) 2022 Series A-1" and "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Centennial Gardens) 2022 Series A-2" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary. The aggregate principal amount of the Notes shall not exceed $65,000,000; provided that the aggregate principal amount of any federally tax-exempt Series A-1 Note executed and delivered shall not exceed the Baseline Allocation Amount and the aggregate principal amount of any federally tax-exempt Series A-2 Note, executed and delivered shall not exceed the Recycled Volume Cap Allocation Amount. The respective Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the respective Funding Loan Agreements 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 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. The respective Notes shall be secured in accordance with the terms of the respective Funding Loan Agreements presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the respective Notes shall be made solely from amounts pledged thereto under the respective Funding Loan Agreements 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 4. The Funding Loan Agreements in the form presented at this meeting are hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegatees duly authorized pursuant to Resolution No. 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 Agreements, 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 respective Notes shall be as provided in the respective Funding Loan Agreements as finally executed.

Section 5. The Project Loan Agreements in the forms presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Project Loan Agreements, 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 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 7. The Authority is hereby authorized to execute and deliver the respective Notes to the Funding Lender pursuant to the terms and conditions of the respective Funding Loan Agreements.

Section 8. The Notes, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Notes by executing the certificate of authentication of the Fiscal Agent appearing thereon, and to deliver the Notes, when duly executed and authenticated, to or at the direction of the Funding Lender, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Fiscal Agent. Such instructions shall provide for the delivery of the Notes to or at the direction of the Funding Lender in accordance with the Funding Loan Agreements upon payment of the purchase price thereof.

Section 9. 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 one or more tax certificates, loan related documents, funds exchange agreements, assignments of deed of trust, any endorsement, allonge or assignment of any note, and such other documents as described in the Funding Loan Agreements, 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. The documents authorized herein may be dated such date, and different series designations given to the Notes, as may be appropriate to indicate when the Notes are actually sold or delivered or the nature of the Notes.

Section 10. 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 Agreements and other documents approved herein.

Section 11. This Resolution shall take effect upon its adoption

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 16, 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 December 16, 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: Centennial Gardens LP

2. Authority Meeting Date: Thursday December 16, 2022

3. Name of Obligations: Centennial Gardens

4. _X_ 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:

   (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): 3.6700%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $_1,259,000_.

   (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: $_30,962,000__.

   (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): $26,138,014.

5. The good faith estimates provided above were __ presented to the governing board of the Borrower, or _X__ 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: Monday December 13, 2022

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

SPECIAL MEETING AGENDA

December 16, 2021
2:00 p.m. or upon adjournment of the CSCDA meeting

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Directors of the California Statewide Communities Development Corporation 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 experience technical problems with the telephonic meeting, please contact info@cscda.org or 1-800-531-7476 for assistance. 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.

1. Roll Call.

   ____ Kevin O'Rourke, President
   ____ Tim Snellings, Vice President
   ____ Brian Moura, Secretary
   ____ Jordan Kaufman, Treasurer
   ____ Dan Mierzwa, Member
   ____ Brian Stiger, Member
   ____ Marcia Raines, Member
   ____ Niroop Srivatsa, Alt. Member
   ____ Matt Jennings, Alt. Member

2. Consideration of the minutes of the September 16, 2021, October 7, 2021, November 4, 2021 and December 2, 2021 Meetings.

3. Public Comment.

4. Consider resolution approving the filing of an application requesting an allocation of New Markets Tax Credits.

5. Consideration of audited financial statements for fiscal years ending June 30, 2020 and June 30, 2021

6. Executive Director Update.

7. Staff Updates.

8. Adjourn.

MINUTES

MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

September 16, 2021
2:00 PM or upon adjournment of the CSCDA Meeting

Board Vice-President Tim Snellings called the meeting to order at 2:25 p.m.

1. Roll Call.

   Roll call from CSCDA meeting stands.

   Board members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa, Marcia Raines, Tim Snellings, Brian Stiger and Niroop Srivatsa.

   Others participating via teleconference: Cathy Barna, CSCDC Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coppinger; Trisha Ortiz, Richards Watson & Gershon;

2. Consideration of the Minutes of the January 7, 2021 Meeting.

   The Board approved the minutes of the January 7, 2021 Meeting.

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

3. Public Comment.

   There was no public comment.

4. Consideration of (i) Resolution authorizing execution of an Allocation Agreement with the CDFI Fund to receive $55,000,000 in New Markets Tax Credits; (ii) Unanimous Written Consent of Members of Subsidiary Allocatees; and (iii) Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees.

   Executive Director Barna provided an overview of the resolution and that the action today was to accept the $55 million in allocation from the CDFI. Jon Penkower reported this allocation should fund 5-6 projects.

   Motion on 4(i) to approve by D.Mierzwa. Second by J.Kaufman. Unanimously approved by roll-call vote.

   Motion on 4(ii) to approve by N.Srivatsa. Second by B.Moura. Unanimously approved by roll-call vote.

5. Executive Director Update.

   Executive Director Barna had no updates.

6. Staff Update.

   No updates.

7. Adjourn.

   The meeting was adjourned at 2:39 p.m.

   Submitted by: James Hamill, Managing Director CSCDC.

MINUTES

SPECIAL MEETING AGENDA
October 7, 2021
2:00 pm

Board Chair Kevin O'Rourke called the meeting to order at 2:02 pm.

1. Roll Call.

   Board members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Brian Stiger, and Marcia Raines.

   Others participating via teleconference: Cathy Barna, CSCDC Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Sendy Young, CSAC Finance Corporation; Trisha Ortiz, Richards Watson & Gershon; and Norman Coppinger, League of California Cities; and Patricia Eichar, Orrick, Herrington & Sutcliffe.

2. Public Comment.

   There was no public comment.

3. Consider a resolution authorizing public meetings to be held via teleconferencing pursuant to Government Code Section 54953(e) and making findings and determinations regarding same.

   Executive Director Barna and CSCDC Counsel gave an overview of AB 361 allowing the Commission to make determinations that will allow them to continue to hold meetings via videoconference. CSCDC's Executive Director recommended that the Commission adopt the resolution.

   Motion to approve by B. Stiger. Second by M. Raines. Unanimously approved by roll-call vote.

4. Executive Director Update.

   Item was waived by the Commission.

5. Staff Update.

   Item was waived by the Commission.

6. Adjourn.

The meeting was adjourned at 2:03 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

California State Association of Counties

LEAGUE OF CALIFORNIA CITIES

MINUTES

SPECIAL MEETING AGENDA
November 4, 2021
2:00 pm

Board Chair Kevin O'Rourke called the meeting to order at 2:02 pm.

1. Roll Call.

   Board members participating via teleconference: Kevin O'Rourke, Tim Snellings, Jordan Kaufman, Brian Stiger, and Marcia Raines.

   Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners Sendy Young, CSAC Finance Corporation; Norman Coppinger, League of California Cities; and Lolly Enriquez, Richards Watson & Gershon.

2. Public Comment.

   There was no public comment.

3. Consider a resolution authorizing public meetings to be held via teleconferencing pursuant to Government Code Section 54953(e) and making findings and determinations regarding same.

   CSCDC's Executive Director recommended that the Commission adopt the resolution.

   Motion to approve by T. Snellings. Second by M. Raines. Unanimously approved by roll-call vote.

4. Executive Director Update.

   Executive Director had no update.

5. Staff Update.

   Staff reported that they are currently evaluating projects that will be the recipients of the $55 million allocation. The first two projects are in Sacramento County and the City of Chico.

   Staff is also getting ready for the next cycle of applications.

6. Adjourn.

   The meeting was adjourned at 2:06 p.m.
   Submitted by: Sendy Young, CSAC Finance Corporation

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

CSAC California State Association of Counties

LEAGUE OF CALIFORNIA CITIES

MINUTES

SPECIAL MEETING AGENDA
December 2, 2021
2:00 pm

Board President Kevin O'Rourke called the meeting to order at 2:41 pm.

1. Roll Call.

   Board members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Dan Mierzwa, and Marcia Raines.

   Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Sendy Young, CSAC Finance Corporation; and Trisha Ortiz, Richards Watson & Gershon.

2. Public Comment.

   There was no public comment.

3. Consider a resolution authorizing public meetings to be held via teleconferencing pursuant to Government Code Section 54953(e) and making findings and determinations regarding same.

   CSCDC's Executive Director recommended that the Commission adopt the resolution.

   Motion to approve by T. Snellings. Second by D. Mierzwa. Unanimously approved by roll-call vote.

4. Executive Director Update.

   Executive Director had no update.

5. Staff Update.

   Staff had no update.

6. Adjourn.

   The meeting was adjourned at 2:43 p.m.
   Submitted by: Sendy Young, CSAC Finance Corporation

Agenda Item 4

Agenda Report

DATE: December 16, 2021

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PURPOSE: Consider resolution approving the filing of an application requesting an allocation of New Markets Tax Credits

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SUMMARY:

On April 24, 2013, CSCDC was awarded $35,000,000 in New Markets Tax Credit (NMTC) allocation during Round 10; on June 5, 2014, CSCDC was awarded $38,000,000 in NMTC allocation during Round 11; on November 17, 2016, CSCDC was awarded $70,000,000 in NMTC allocation during Round 13; and on September 1, 2021, CSCDC was awarded $55,000,000 in NMTC allocation during Round 17 (for a total of $198,000,000 in allocation). The next round of allocation availability (Round 18) has commenced and the U.S. Treasury Department's CDFI Fund will be receiving applications from community development entities seeking NMTC allocation. Staff has been working diligently on the Round 18 application and a brief overview of the Round 18 application can be found in Attachment A. If the resolution is adopted, the application will be submitted on or before January 15, 2022 and awards are expected in late 2022.

RECOMMENDED ACTION:

CSCDC's Executive Director recommends that the directors of CSCDC approve the Resolution (in the form of Attachment B) as submitted to the directors, which:

1. Approves the filing of an application for an allocation of New Markets Tax Credits; and

2. Authorizes any member of the Board of Directors or a designated agent of the Board of Directors (each, an "Authorized Officer") to do any and all things and to execute and deliver any and all documents which such Authorized Officer may deem necessary or appropriate to complete the allocation application.

Attachment A

Overview of Allocation Application

CSCDA created a Community Development Entity ("CDE"), California Statewide Communities Development Corporation ("CSCDC"), to provide below-market rate "gap financing" to communities throughout the State of California, enhancing the subsidized financing programs already offered by CSCDA (such as industrial development bonds, affordable housing bonds, nonprofit bonds and other tax-exempt bonds for over 530 cities, counties and special districts. CSCDC will be seeking a $70 Million allocation of New Markets Tax Credits from the U.S. Treasury's CDFI Fund.

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

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

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

<u>Attachment B</u>

RESOLUTION NO. 21-02

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION APPROVING THE FILING OF AN APPLICATION REQUESTING AN ALLOCATION OF NEW MARKETS TAX CREDITS AND APPROVING SUCH OTHER ACTIONS AS NECESSARY OR APPROPRIATE THERETO

WHEREAS, on May 25, 2011, the California Statewide Communities Development Corporation (the "Corporation") approved the filing of an application for certification as a Community Development Entity (the "Certification Application"); and

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Corporation this 16th day of December, 2021.

I, the undersigned, the duly appointed and qualified member of the Board of Directors or Authorized Signatory of the California Statewide Communities Development Corporation, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the California Statewide Communities Development Corporation at a duly called meeting of the Board of said Corporation held in accordance with law on December 16, 2021.

By:________________________________

Authorized Signatory

Agenda Item No. 5

Agenda Report

DATE: December 16, 2021

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of CSCDC audited financial statements for fiscal years ending June 30, 2020 and June 30, 2021

BACKGROUND AND SUMMARY:

Attached for the consideration of the Board are the CSCDC audited financial statements for fiscal year ending June 30, 2020 and June 30, 2021. Novogradac & Company, LLP prepared the reports working with the League of California Cities and CSCDC staff. Highlights from the audited financial statements include the following:

1. **Closing Fees –** CSCDC received $0 in closing fees in both 2020 and 2021 from NMTC transactions.

2. **Asset Management Fees –** CSCDC received $656,700 and $605,116, respectively in 2020 and 2021, in asset management fees from previously closed NMTC transactions.

3. **Expenses –** CSCDC incurred a total of $626,312 and $573,961, respectively in 2020 and 2021, in expenses, comprised primarily of sponsorship fees, legal, accounting, asset management and other professional fees.

4. **Cash Flows –** CSCDC's cash positions were $229,081 and $326,837 at the end of 2020 and 2021, respectively.

The audit provides more detail on expense allocation, including sponsorship fees and the NMTC awards administered.

RECOMMENDED ACTION:

CSCDC's Executive Director recommends approval of the 2020 and 2021 audited financial statements.

NOVOGRADAC & COMPANY LLP®

California Statewide Communities Development Corporation

Financial Statements with Report of Independent Auditors

For the years ended June 30, 2021 and 2020

NOVOGRADAC & COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Board of Directors of
California Statewide Communities Development Corporation:

We have audited the accompanying financial statements of California Statewide Communities Development Corporation, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Statewide Communities Development Corporation as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Novogradac & Company LLP

Dover, Ohio
December 2, 2021

3025 North Wooster Avenue, Dover, Ohio 44622
www.novoco.com | 330.365.5400

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 326,837	$ 229,081
Investments in Community Development Entities	10,036	13,320
Total assets	$ 336,873	$ 242,401
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 151,175	$ 87,875
Deferred income	29,000	29,000
Total liabilities	180,175	116,875
Net assets without donor restrictions	156,698	125,526
Total liabilities and net assets	$ 336,873	$ 242,401

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2021 and 2020

	2021	2020
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Asset management fee income	$ 605,116	$ 656,700
Other income	17	2,261
Total revenue and support	605,133	658,961
EXPENDITURES		
Program services	508,111	550,979
Administrative and support	65,850	70,333
Total expenditures	573,961	621,312
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	31,172	37,649
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR	125,526	87,877
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	$ 156,698	$ 125,526

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended June 30, 2021 and 2020

	2021		
EXPENDITURES	Program Services	Administrative and Support	Total
Sponsor fees	$ 437,127	$ -	$ 437,127
Professional fees	70,984	47,950	118,934
CA taxes and filing fees	-	15,200	15,200
Miscellaneous expenses	-	2,700	2,700
Total expenditures	$ 508,111	$ 65,850	$ 573,961

	2020		
EXPENDITURES	Program Services	Administrative and Support	Total
Sponsor fees	$ 480,000	$ -	$ 480,000
Professional fees	70,979	49,750	120,729
CA taxes and filing fees	-	17,700	17,700
Miscellaneous expenses	-	2,883	2,883
Total expenditures	$ 550,979	$ 70,333	$ 621,312

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2021 and 2020

		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in net assets without donor restrictions	$	31,172	$	37,649
Adjustments to reconcile increase in net assets without donor restrictions to net cash provided by operating activities:				
Decrease in due from related parties		-		183
Increase in accounts payable and accrued expenses		63,300		86,014
Net cash provided by operating activities		94,472		123,846
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in investments in Community Development Entities		3,284		249
NET INCREASE IN CASH AND CASH EQUIVALENTS		97,756		124,095
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		229,081		104,986
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	326,837	$	229,081

See accompanying notes to financial statements

NOTE 1 – ORGANIZATION

California Statewide Communities Development Corporation (the "Organization"), a California nonprofit public benefit corporation, was formed on May 6, 2011 to qualify as a Community Development Entity (CDE) and to engage in such activities which qualify for New Markets Tax Credits (NMTC) pursuant to Section 45D of the Internal Revenue Code.

The Organization has been certified by the Community Development Financial Institutions Fund of the U.S. Department of Treasury ("CDFI Fund") as a CDE. As a CDE, the Organization's primary mission is to invest in Subsidiary Allocatees ("Limited Liability Companies") that provide loans, equity investments, or financial services to qualified businesses in Low-Income Communities in the Organization's service area of California. As of June 30, 2021 and 2020, the Organization has received $143,000,000 of NMTC investment authority from the CDFI Fund.

The NMTC program provides investors with credits against federal income taxes they incur. NMTCs are passed through to an investor for each Qualified Equity Investment (QEI) made in a CDE certified as such by the CDFI Fund. The investor receives credits over a seven-year period for each QEI, equal to 39% of the QEI amount (5% during each of years one through three and 6% during each of years four through seven). The CDEs use the QEI proceeds to make Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICBs). QLICIs include loans to or equity investments in QALICBs or other CDEs. CDEs must comply with various federal requirements or investors risk recapture of tax credits plus penalties and interest thereon.

The Organization is governed by a Board of Directors. As a not-for-profit corporation exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code, and therefore without tax liability, the Organization cannot itself use NMTCs. In order to utilize the allocation received by the Organization from the CDFI Fund, the Board of Directors of the Organization suballocates NMTC investment authority to various Limited Liability Companies, which are CDEs organized and managed by the Organization. The Organization seeks to suballocate NMTC investment authority to CDEs that provide investments in projects that accomplish goals consistent with the mission of the Organization and in accordance with certain terms agreed to in the allocation agreements with the CDFI Fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("US GAAP").

Basis of Presentation
The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization's net assets are not subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Concentration of Credit Risk

The Organization maintains cash in banks which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Income Taxes

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(4) of the Internal Revenue Code and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d).

The preparation of financial statements in accordance with US GAAP requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying financial statements.

Revenue Recognition

The Organization earns revenue by providing origination, underwriting, asset management, dissolution, and other services to the CDEs and QALICBs which are governed by the related operating and fee agreements. Sub-allocation, origination, and underwriting fees are recognized when QEIs are closed and are recorded as Closing Fee Income on the statement of activities and changes in net assets. Reservation fees for projects are recorded as a liability when received. A reservation fee would be included as revenue if the reservation of NMTC allocation is withdrawn. As of June 30, 2021 and 2020, there have been no instances of non-refundable reservation fees. Asset management fees are recognized as income as the Organization provides the services (generally over a seven-year period).

Investments in Community Development Entities – Equity Method

The Organization uses the equity method of accounting for its investments in 15 CDEs in which the Organization serves as the managing member, as the Organization has significant influence over, but not control of the major operating and financial policies of the CDEs. Under this method, the Organization's share of income, losses, and

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Community Development Entities – Equity Method (continued)

distributions incurred by the CDEs is recognized as an increase or reduction of the carrying value of the investments. Since the Organization has no obligation to fund liabilities beyond its investment, including loans and advances, the carrying value of the investments may not be reduced below zero. To the extent that equity losses are incurred when the Organization's carrying value of the investments has reached zero, losses will be suspended and applied against future income.

The Organization has adopted the nature of distributions approach for the classification of distributions received from equity method investees in the statement of cash flows. In accordance with this approach, distributions received from the CDEs are classified as either operating or investing cash inflows based on the nature of the activities of the CDE that generated the distributions. Returns on investments are classified as operating activities in the statement of cash flows, while returns of investment are classified as investing activities.

A list of the CDEs that are recorded under the equity method and the Organization's ownership percentages in these CDEs is disclosed in Note 4.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all short-term financial instruments with a maturity of three months or less at the date of acquisition to be cash equivalents.

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and administrative and support services benefited. Such allocations are determined by management on an equitable basis. There are no fundraising costs.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Sponsor fees	Time and Effort
Professional fees	Full Time Equivalent
CA taxes and filing fees	Time and Effort
Miscellaneous expenses	Time and Effort

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events
Subsequent events have been evaluated through December 2, 2021, which is the date the financial statements were available to be issued and there are no subsequent events requiring disclosure.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets at June 30, 2021 and 2020:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	$ 326,837	$ 229,081
Financial assets available to meet general expenditures over the next twelve months	$ 326,837	$ 229,081

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $100,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

NOTE 4 – INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES

The Organization owns an interest in the following CDEs as of June 30, 2021 and 2020, which were formed for the purpose of receiving sub-allocations of NMTC authority from the Organization:

	Percentage Ownership	
Community Development Entities	6/30/2021	6/30/2020
CSCDC 1 LLC	0.01%	0.00%
CSCDC 2 LLC	0.01%	0.00%
CSCDC 3 LLC	0.01%	0.00%
CSCDC 4 LLC	0.01%	0.00%
CSCDC 5 LLC	0.01%	0.01%
CSCDC 6 LLC	0.01%	0.01%
CSCDC 7 LLC	0.01%	0.01%
CSCDC 8 LLC	0.01%	0.01%
CSCDC 9 LLC	0.01%	0.01%
CSCDC 10 LLC	0.01%	0.01%
CSCDC 11 LLC	0.01%	0.01%
CSCDC 12 LLC	0.01%	0.01%
CSCDC 13 LLC	0.01%	0.01%
CSCDC 14 LLC	0.01%	0.01%
CSCDC 15 LLC	0.01%	0.01%

The investments in the CDEs at June 30, 2021 and 2020 totaled $10,036 and $13,320, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

Asset Management Fee Income
The Organization earns quarterly asset management fee income from each of the CDEs, prorated for partial quarters, as compensation for the ongoing administration and management of the CDEs (the "Asset Management Fee Income"). In addition, the CDEs incur certain expenses such as tax preparation fees, corporate filing fees, annual state franchise fees, etc. as discussed in the Fee and Expense Agreements between the QALICBs, CDEs, and the Organization. The Organization pays these expenses on behalf of the CDEs. Pursuant to each of the CDEs' fee and expense agreements, the Organization is to be reimbursed for these costs (the "Reimbursement Income"). The Asset Management Fee Income and Reimbursement Income are collectively referred to and recorded as Asset Management Fee Income on the statement of activities and changes in net assets. For the years ended June 30, 2021 and 2020, the total Asset Management Fee Income earned and received from the CDEs was $605,116 and $656,700, respectively. At June 30, 2021 and 2020, the CDEs prepaid $29,000 of Asset Management Fee Income to the Organization and has been included in deferred income on the accompanying financial statements.

NOTE 6 – SPONSOR FEES

The Organization entered into a Services Agreement with Bridge Strategic Partners LLC ("BSP"). Pursuant to the Services Agreement with BSP, the Organization is to pay BSP a sponsor fee for NMTC and management services rendered. The sponsor fee is payable from net proceeds of closing fees received from each CDE and QALICB, less third party expenses as a result of closing each NMTC transaction. The Organization also pays California State Association of Counties ("CSAC") and League of California Cities ("LCC") for similar services provided. The sponsor fee is allocated among CSAC, LCC, and BSP (collectively, the "Sponsors") 20%, 20% and 60%, respectively, for upfront fees and 30%, 30% and 40%, respectively for residual administration fees. For each of the years ended June 30, 2021 and 2020, the Organization incurred $200,000 of sponsor fees. As of June 30, 2021 and 2020, $100,000 and $0, respectively, of sponsor fees remained payable to the Sponsors.

Pursuant to the New Markets Tax Credit Services Agreement, New Markets Support Company, LLC ("NMSC") is to provide management services including ongoing accounting, compliance, and administrative services for each of the CDEs discussed in Note 4. In consideration of the services to be provided by NMSC, the Organization is to pay BSP, who in turn pays NMSC a fee each quarter for each CDE, pro-rated for partial calendar quarters. For the years ended June 30, 2021 and 2020, the Organization incurred $237,127 and $280,000, respectively, of additional sponsor fees. At June 30, 2021 and 2020, the amount payable to NMSC was $47,500 and $70,000, respectively.

NOTE 7 – NMTC AWARDS ADMINISTERED

As of June 30, 2021 and 2020, all $143M of NMTC allocation authority awarded to the Organization was invested in thirteen CDEs and thirteen respective projects. The following tables show the total allocation received, total QEIs closed, and total allocation remaining by round for the years ended June 30, 2021 and 2020, respectively:

	Projects	Allocation received	QEIs closed before 6/30/2020	QEIs closed during 7/1/2020 through 6/30/2021	Total QEIs closed through June 30, 2021	Allocation remaining as of June 30, 2021
Round 10	4	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000	$ -
Round 11	4	38,000,000	38,000,000	-	38,000,000	-
Round 13	5	70,000,000	70,000,000	-	70,000,000	-
Total	13	$ 143,000,000	$ 143,000,000	$ -	$ 143,000,000	$ -

	Projects	Allocation received	QEIs closed before 6/30/2019	QEIs closed during 7/1/2019 through 6/30/2020	Total QEIs closed through June 30, 2020	Allocation remaining as of June 30, 2020
Round 10	4	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000	$ -
Round 11	4	38,000,000	38,000,000	-	38,000,000	-
Round 13	5	70,000,000	70,000,000	-	70,000,000	-
Total	13	$ 143,000,000	$ 143,000,000	$ -	$ 143,000,000	$ -

NOTE 8 – VULNERABILITY – IMPACT OF COVID-19

The impact of COVID-19 on the Organization's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic on the LLCs' and QALICBs' operations, all of which are uncertain and cannot be predicted. The Organization's future results could be adversely impacted by delays in fee collections from the LLCs and QALICBs. Management is unable to predict with absolute certainty the impact of COVID-19 on the Organization's or the LLCs' and QALICBs' financial condition and expected results of their operations and cash flows.