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January 6, 2022

ANNUAL MEETING AGENDA OF
THE CALIFORNIA STATEWIDE FINANCING AUTHORITY (CSFA)

January 6, 2022 at 9:00 AM

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Commissioners of the California Statewide Financing 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 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. 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, Chair
   ____ Tim Snellings, Vice Chair
   ____ Brian Moura, Secretary
   ____ Jordan Kaufman, Treasurer
   ____ Dan Mierzwa, Member
   ____ Brian Stiger, Member
   ____ Marcia Raines, Member
   ____ Niroop Srivatsa, Alt. Member
   ____ Matt Jennings, Alt. Member

2. Election of Officers.

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

4. Public Comment.

5. Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2021.

6. Executive Director Update.

7. Staff Updates.

8. Adjourn.

MINUTES

ANNUAL MEETING AGENDA OF
THE CALIFORNIA STATEWIDE FINANCING AUTHORITY (CSFA)
January 7, 2021 at 2:00 PM

Commission Chair Kevin O'Rourke called the meeting to order at 2:05 p.m.

1. Roll Call.
   Commission members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Jordan Kaufman, Dan Mierzwa, Brian Stiger, Marcia Raines and Niroop Srivatsa.
   Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coppinger; Alan Fernandes, CSAC Finance Corporation; Jim Manker, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; Tricia Ortiz, Richards Watson & Gershon; Peter Pierce, Richards Watson & Gershon; and Patricia Eichar, Orrick, Herrington & Sutcliffe.

2. Election of Officers.

   B. Stiger nominated the following officers to be elected, second by M. Raines:

   Kevin O'Rourke as Chair
   Tim Snellings as Vice Chair
   Brian Moura as Secretary
   J. Kaufman as Treasurer

   Motion to close the nominations and adopt the slate of officers by B. Stiger. Second by M. Raines. Unanimously approved by roll-call vote. D. Mierzwa did not vote.

3. Consideration of the Minutes of the January 9, 20120 Annual Meeting.

   The Commission approved the minutes of the January 9, 2020 Annual Meeting.

   Motion to approve by J. Kaufman. Second by T. Snellings. Unanimously approved by roll-call vote.

4. Public Comment.

   There was no public comment.

5. Consideration of the Audited Financial Statements for Fiscal Year Ending June 30, 2019.

   Executive Director Bando gave a summary of the 2020 financial statements. The decline in the overall consumption of cigarettes below levels estimated, had a material effect on the payments received by CSFA used to pay its debt service. CSFA is currently on track to meet the maturity dates of the bonds but is presently behind on the expected final turbo redemption dates. CSCDA's Executive Director recommends the approval of the year ended June 30, 2020 financial statements for CSFA.

   Motion to approve by J. Kaufman. Second by T. Snellings. Unanimously approved by roll-call vote.

6. Executive Director Update.

   Executive Director Bando reported that there were $7.4 million in refundable tobacco bonds, the largest refund ever have been allocated.

7. Staff Update.

   Staff had no updates.

8. Adjourn.

   The meeting was adjourned at 2:18 p.m.

   Submitted by: Sendy Young, CSAC Finance Corporation

California Statewide Financing Authority (CSFA)

Agenda Item No. 5

Agenda Report

DATE: January 6, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2021

BACKGROUND AND SUMMARY:

CSFA was created in 2002 as a joint-powers authority between the following counties to finance payments from the nationwide Tobacco Settlement Agreement. The participants include: Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo and Yuba counties.

The following is a summary of the year ended June 30, 2021 financial statements:

- The largest asset of the CSFA (78% of the assets) is investments primarily comprised of unspent bond proceeds.
- The only asset recorded for the pledged tobacco settlement proceeds is the receivable attributable to the current period.
- The CSFA's net position is in a deficit of approximately $260.3 million and $257.6 million as of June 30, 2021 and 2020 respectively. Since the interest accreted during the year in the amount of $11 million was more that the principal paid of $5,905,000 the overall outstanding bond liability and deficit increased.
- The revenue activity in 2021 was $2 million more than 2020 due to increases in tobacco settlement proceeds received in 2021.
- During the year long term debt increased by $5.4 million attributable to principal payments in the amount of $5.9 million, amortization of the bond discount of $0.2 million and the accretion of interest in the amount of $11.1 million.
- The decline in the overall consumption of cigarettes below levels estimated, could have a material effect on the payments received by CSFA used to pay its debt service. CSFA is currently on track to meet the maturity dates of the bonds, but is presently behind on the expected final turbo redemption dates.

RECOMMENDATION:

CSCDA's Executive Director recommends the approval of the year ended June 30, 2021 financial statements for CSFA.

CALIFORNIA STATEWIDE FINANCING AUTHORITY

Independent Auditor's Report
Financial Statements
and Supplementary Information

June 30, 2021

MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833

CALIFORNIA STATEWIDE FINANCING AUTHORITY
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JUNE 30, 2021

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California Statewide Financing Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the debt service fund of the California Statewide Financing Authority (the Authority), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 auditor considers 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 the governmental activities and the debt service fund of the California Statewide Financing Authority, as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 8 to the financial statements, the Authority has a deficit net position as a result of the full amount of the long-term liabilities being presented on the face of the financial statements, but only a portion of the tobacco settlement revenues being presented on the face of the financial statements. In addition, Fitch withdrew all ratings assigned to U.S. tobacco asset-backed securities, and Moody's ratings on the Authority's Series 2002 term bonds range from Ba3 to Baa1. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents, be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mann, Urrutia, Nelson CPAs

Sacramento, California
November 8, 2021

Management's Discussion and Analysis (Unaudited)

The California Statewide Financing Authority (the Authority) is a public entity created by a Joint Exercise of Powers Agreement (Agreement) effective as of June 14, 2002 between the California counties of Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo, and Yuba (the participating counties). A seven-member board of directors (Board) made up of the Commission of the California Statewide Communities Development Authority, a joint powers agency created pursuant to an amended and restated joint exercise of powers agreement dated as of June 1, 1988, governs it. The Authority was created for the purpose of empowering the Authority to finance the payments to be received by the participating counties from the nation-wide Tobacco Settlement Agreement (Payments) for such purposes, but not limited to, issuance, sale, execution and delivery of Bonds secured by those Payments or the lending of money based on thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such Payments of the participating counties.

The Authority is a public entity legally separate and apart from the participating counties. The debts and liabilities of the Authority belong solely to it, and none of the participating counties are in any way responsible for those liabilities.

As management of the Authority, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) the financial statements and 2) notes to the financial statements.

Financial Statements. The financial statements combine what are known as the government-wide and fund financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business, and include the following statements:

The *statement of net position* presents information on the Authority's assets and liabilities, with the difference between the two reported as *net position*. The statement of net position is presented as the right column on page 7.

The *statement of activities* presents information showing how the Authority's net position changed during the year ended June 30, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. accrued interest payable). The statement of activities is presented as the right column on page 8.

Fund financial statements reflect a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the period. The debt service fund financial statements are presented as the left columns on pages 7 and 8.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Reconciliations between both the governmental fund balance sheet and statement of revenues, expenditures, and change in fund balance and the government-wide statement of net position and statement of activities, respectively, are provided to facilitate the comparison. These reconciliations are presented as the adjustments columns on pages 7 and 8.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 9 - 15 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The largest asset of the Authority (78% of total assets) is investments, primarily comprised of unspent bond proceeds, most of which is set aside for the bond reserve requirement. The majority of the Authority's liabilities (100%) relate to outstanding bonds. Because the only asset recorded for the pledged tobacco settlement proceeds is the receivable attributable to the current period, the Authority's net position is in a deficit position of approximately $260.3 and $257.6 million as of June 30, 2021 and 2020, respectively. Both the outstanding bonds and the deficit net position amounts will increase or decrease in tandem as tobacco settlement proceeds are received and bonds are paid. Since the interest accreted during the year of $11,088,141 was more than the principal paid of $5,905,000, the overall outstanding bond liability and deficit net position increased. While outstanding, the bonds will remain the primary liability of the Authority.

Net Position

	2021	2020
Current and other assets	$ 35,122,147	$ 32,573,516
Long-term liabilities	294,026,570	288,683,637
Other liabilities	1,444,306	1,444,306
Total liabilities	295,470,876	290,127,943
Unrestricted net position (deficit)	$ (260,348,729)	$ (257,554,427)

Activity for the years ended June 30, 2021 and 2020 were as follows:

Change in Net Position

	2021	2020
Program revenues	$ 16,339,131	$ 14,303,317
Expenses	19,133,433	18,774,677
Change in unrestricted net position	(2,794,302)	(4,471,360)
Unrestricted net position (deficit), beginning of year	(257,554,427)	(253,083,067)
Unrestricted net position (deficit), end of year	$ (260,348,729)	$ (257,554,427)

The revenue activity for the year ended June 30, 2021 was $2,035,814 more than 2020 due to an increase in the settlement proceeds received during 2021. Interest and fiscal charge activity between the two years remained relatively consistent.

Governmental Activities

The Authority does not have business-type activities, and so the analysis presented above for the government-wide financial statements also represents an analysis of the Authority's governmental activities.

Financial Analysis of the Authority's Governmental Fund

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

As of June 30, 2021 and 2020, the Authority reported ending fund balances of $27.6 million and $25.4 million, respectively, which is all restricted for debt service purposes. For the year ended June 30, 2021, the Authority's fund balance increased by $2,169,218 to $27.5 million as a result of the Authority incurring approximately $13.8 million for debt service expenditures, net of $15.2 million in tobacco settlement proceeds and $751,000 in investment income.

Capital Assets and Debt Administration

Capital Assets

At the end of the current period, the Authority did not have any capital assets.

Debt Administration

Tobacco Settlement Asset-Backed Bonds, Series 2002 Bonds were issued July 17, 2002 and Series 2006 Bonds were issued April 13, 2006, for the purpose of allowing the Authority to finance and secure a specific level of receipts in lieu of the actual payments to be received by the participating counties from the nation-wide Tobacco Settlement Agreement (Payments). The settlement was based on a number of lawsuits by states and local governments against the various tobacco corporations to recover the cost of health and related other costs attributed to smoking. A Master Settlement Agreement was created among the impacted parties, which delineated the receipts the participating counties would be entitled to receive from the settlement. The proceeds were used to purchase the tobacco settlement rights.

The participating counties expect to use the proceeds to fund escrow endowments and, from the endowments and interest earnings thereon, to finance or refinance over a period of years capital projects and/or other county non-capital programs not specifically identified.

- $98,770,000 for two issues of Series 2002A Bonds. The first series is for $10,090,000 in serial bonds, issued with interest rates ranging from 3.125% to 5.125%, which final matured on May 1, 2017. The second series of A bonds represent three issues of term bonds. The first term bond is for $28,045,000 with an interest rate of 5.625%, and due on May 1, 2029. The second term bond is for $27,540,000 with an interest rate of 6%. There was a total of $2,965,000 which was turbo-redeemed on November 1, 2020 and May 1, 2021. The remaining bonds are due on May 1, 2037. The third term bond is for $33,095,000 with an interest rate of 6%, with an expected final turbo redemption date of May 1, 2022, and due on May 1, 2043.

- $97,775,000 for two issues of Series 2002B Bonds. The first series is for $9,980,000 in serial bonds, issued with interest rates ranging from 3.125% to 5.125%, which final matured on May 1, 2017. The second series of B bonds represent three issues of term bonds. The first term bond is for $27,765,000 with an interest rate of 5.625%, due on May 1, 2029. The second term bond is for $27,265,000 with an interest rate of 6%. There was a total of $2,940,000 which was turbo-redeemed on November 1, 2020 and May 1, 2021. The remaining bonds are due on May 1, 2037. The third term bond is for $32,765,000 with an interest rate of 6%, with an expected final turbo redemption date of May 1, 2022, and due on May 1, 2043.

- $25,566,106 Series 2006A Turbo Capital Appreciation Bonds with an interest rate of 6.25%, with an expected final turbo redemption date of June 1, 2028, and due on June 1, 2046.

- $6,466,114 Series 2006B Turbo Capital Appreciation Bonds with an interest rate of 6.375%, with an expected final turbo redemption date of June 1, 2030, and due on June 1, 2046.

- $18,913,518 Series 2006C Turbo Capital Appreciation Bonds with an interest rate of 7%, with an expected final turbo redemption date of June 1, 2035, and due on June 1, 2055.

- $10,804,800 Series 2006D Turbo Capital Appreciation Bonds with an interest rate of 7.875%, with an expected final turbo redemption date of June 1, 2040, and due on June 1, 2055.

During the year ended June 30, 2021, long-term debt increased by $5.4 million attributable to principal payments in the amount of $5.9 million, amortization of the bond discount of $0.2 million, and the accretion of interest in the amount of $11.1 million.

The Moody's ratings on the Series 2002 Bonds are Baa1 on the term bonds maturing on May 1, 2029, Ba2 on the term bonds maturing on May 1, 2037, and Ba3 on the term bonds maturing on May 1, 2043. Moody's hasn't rated the Series 2006 Bonds.

On June 15, 2016, Fitch withdrew all ratings assigned to U.S. tobacco asset-backed securities because modifications to material calculations originally part of the base Master Settlement Agreement have eroded Fitch's confidence that ratings can be consistently maintained, as insufficient information exists to predict the likelihood and effect of future modifications, or that insufficient information will exist to support new, material variables included in the modifications.

Economic Factors and Next Year's Budget

The bond covenants relating to the borrowing restrict the Authority's annual budget to no more than $300,000 per year. Bond rating services fees are estimated to be $20,000. The other significant fee is $60,000 for continuing disclosure services from Bondlogistix.

The bond repayment is subject to a debt repayment schedule, but it can be accelerated, dependent upon greater than expected receipts from the Nation-wide Tobacco Settlement Lawsuit pool. The actual receipts are predicated upon cigarette sales (for the annual gross amount available for distribution) and certain demographic factors (which determine the amount any litigant receives). Although the Authority is currently on track to meet the maturity dates of the Bonds, it is presently behind on the expected final turbo redemption dates of those same Bonds.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, California 95814

CALIFORNIA STATEWIDE FINANCING AUTHORITY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
AS OF JUNE 30, 2021

	Debt Service Fund	Adjustments (Note 3)	Statement of Net Position
ASSETS			
Restricted investments (Note 5)	$ 27,570,733	$ -	$ 27,570,733
Interest receivable	105	-	105
Pledged tobacco settlement proceeds receivable	7,551,309	-	7,551,309
Total Assets	$ 35,122,147	$ -	$ 35,122,147
LIABILITIES			
Accrued interest payable	$ -	$ 1,444,306	$ 1,444,306
Long-term liabilities (Note 6):			
Due after one year	-	294,026,570	294,026,570
Total Liabilities	-	295,470,876	295,470,876
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	7,551,309	(7,551,309)	-
FUND BALANCE/NET POSITION			
Fund balance:			
Restricted for debt service	27,570,838	(27,570,838)	-
Total liabilities, deferred inflows of resources, and fund balance	$ 35,122,147		
Net position:			
Unrestricted deficit		$ (260,348,729)	$ (260,348,729)

See accompanying notes to the financial statements

CALIFORNIA STATEWIDE FINANCING AUTHORITY
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	Debt Service Fund	Adjustments (Note 4)	Statement of Activities
EXPENDITURES/EXPENSES			
Debt service:			
Principal	$ 5,905,000	$ (5,905,000)	$ -
Interest and fiscal charges	7,885,500	11,247,933	19,133,433
Total expenditures/expenses	13,790,500	5,342,933	19,133,433
PROGRAM REVENUES			
Investment income	751,061	-	751,061
Pledged tobacco settlement proceeds	15,208,657	379,413	15,588,070
Total revenues	15,959,718	379,413	16,339,131
Change in fund balance/net position	2,169,218	(4,963,520)	(2,794,302)
Fund balance/net position - July 1, 2020	25,401,620	(282,956,047)	(257,554,427)
Fund balance/net position - June 30, 2021	$ 27,570,838	$ (287,919,567)	$ (260,348,729)

See accompanying notes to the financial statements

NOTE 1 - NATURE OF ORGANIZATION

The California Statewide Financing Authority (the Authority) was created by a Joint Exercise of Powers Agreement (Agreement) effective as of June 14, 2002 between the counties of Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo, and Yuba (the participating counties). A seven-member board of directors (Board) made up of the Commission of the California Statewide Communities Development Authority, a joint powers agency created pursuant to an amended and restated joint exercise of powers agreement dated as of June 1, 1988, governs it. The Authority was created for the purpose of empowering the Authority to finance the payments to be received by the participating counties from the nation-wide Tobacco Settlement Agreement (Payments) for such purposes, but not limited to, issuance, sale, execution and delivery of Bonds secured by those Payments or the lending of money based on thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such Payments of the participating counties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and Fund Financial Statements

The Authority's financial statements have been condensed to present both the government-wide and debt service governmental fund financial information in one set of financial statements.

The government-wide financial information (i.e., statement of net position and statement of activities) is presented as the right hand column of the financial statements presented on pages 7 and 8. This information includes the financial activities of the overall Authority. Eliminations have been made to minimize the double counting of internal activities.

The statement of net position is designed to display the financial position of the entity.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular segment or function. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The debt service governmental fund financial information is presented as the left hand column of the financial statements presented on pages 7 and 8. The middle column of these financial statements reconciles the two other columns, and the reconciling amounts are explained in further detail in Notes 3 and 4.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledged tobacco settlement proceeds are considered 'measurable' when the event giving rise to recognition - the domestic shipment of cigarettes (sales) - occurs. Because the annual pledged tobacco settlement proceeds are based on cigarette sales from the preceding calendar year, the Authority accrues half of the pledged tobacco settlement proceeds received in the subsequent year, which represents sales derived from January 1 to June 30. However, since those proceeds are not received until April of the following year, they are not considered available, and therefore are reported as deferred inflows of resources at year end.

The Authority reports the following major governmental fund:

- The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Position/Fund Balance

The government-wide financial statements utilize a net position presentation. Although the Authority's activities are restricted for debt service, its net position is categorized as unrestricted because of the deficit position.

The governmental fund utilizes a classified fund balance presentation. Fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which amounts can be spent. The Authority's fund balance is restricted for future debt service payments as its resources are legally segregated for that specific purpose.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 3 - ADJUSTMENTS BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION

The financial statement presented on page 7 includes an adjustments column that reconciles the balance sheet of the debt service governmental fund and the government-wide statement of net position. These adjustments are further detailed below while reconciling the fund balance of the debt service governmental fund and net position of the government-wide financial information.

Fund balance	$ 27,570,838
Certain long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the fund.	7,551,309
Long-term liabilities, including bonds payable and related discounts, are not due and payable in the current period and therefore are not reported in the governmental fund. Interest on long-term liabilities is not accrued in the governmental fund, but rather is recognized as an expenditure when it is due. Accrued interest payable is reported in the statement of net position.	
Accrued interest payable	(1,444,306)
Bonds payable	(188,525,538)
Accreted interest	(108,989,804)
Discounts on bonds	3,488,772
Net position (deficit)	$ (260,348,729)

NOTE 4 - ADJUSTMENTS BETWEEN GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES

The financial statement presented on page 8 includes an adjustments column that reconciles the debt service governmental fund revenues, expenditures, and changes in fund balance and the government-wide statement of activities. These adjustments are further detailed below while reconciling the change in fund balance of the debt service governmental fund and the change in net position of the government-wide financial information.

Change in fund balance	$ 2,169,218
The payment of the principal of long-term liabilities consumes the current financial resources of the governmental fund. However, this transaction has no effect on net position.	5,905,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	
Change in accreted interest	(11,088,141)
Amortization of bonds discounts	(159,792)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the fund. This amount represents the change in the unavailable revenue from the previous year.	379,413
Change in net position	$ (2,794,302)

NOTE 5 - RESTRICTED INVESTMENTS

Investments at June 30, 2021 totaling $27,570,733 are held by the indenture trustee and are restricted for the payment of future debt service.

Funds held by the indenture trustee may be invested in eligible investments as governed by the provisions of the indenture.

The following are eligible investments:

a) Defeasance collateral;
b) Direct obligations of, or obligations guaranteed by, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Federal Farm Credit System;
c) Demand and time deposits or certificates of deposit, or bankers' acceptances;
d) General obligations of, or obligations guaranteed by, any state of the United States or the District of Columbia;
e) Commercial or finance company paper;
f) Repurchase obligations;
g) Corporate securities;
h) Investment agreements or guaranteed investment contracts;
i) Money market funds;
j) The State of California Local Agency Investment Fund or any state administered pool investment fund in which any participant is statutorily permitted or required to invest;
k) Any other investment described in California Government Code Section 53601, as it may be amended or supplemented; and
l) Other obligations, securities, agreements, or contracts that are non-callable and that are acceptable to each rating agency.

Provided that eligible investments shall not include any obligations of any of the participating counties.

<u>Interest Rate Risk</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the indenture trustee manages the Authority's exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

<u>Custodial Credit Risk</u>

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The indenture does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

Investments in external investment pools and mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The commercial paper is also not exposed to custodial credit risk.

<u>Concentration of Credit Risk</u>

The indenture between the Authority and indenture trustee contains no limitations on the amount that can be invested in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At June 30, 2021 there were no investments in any one issuer that represented 5 percent or more of total investments.

NOTE 5 - RESTRICTED INVESTMENTS (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Debt proceeds held by the indenture trustee were used to purchase investments with the minimum ratings required by the indenture. As of June 30, 2021, the Authority's investments and credit ratings are as follows:

	Credit Rating	Maturities Less than 30 days	Fair Value
Investments held by fiscal agent:			
Commercial Paper	N/A	$ 14,794,000	$ 14,794,000
Money Market Funds	Aaa	12,776,733	12,776,733
Total		$ 27,570,733	$ 27,570,733

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Authority has the following recurring fair value measurements as of June 30, 2021:

		Fair Value Measurements Using:	
Investment Type	Total	Level 1	Level 2
Commercial Paper	$ 14,794,000	$ -	$ 14,794,000
Money Market Funds	12,776,733	-	12,776,733
Total	$ 27,570,733	$ -	$ 27,570,733

NOTE 6 - LONG-TERM LIABILITIES

Long-term liabilities consisted of the following original issues:

$98,770,000 for two issues of Series 2002A Bonds, including $10,090,000 in serial bonds, issued with interest rates ranging from 3.125% to 5.125%, which final matured on May 1, 2017. The second series of A bonds represent three issues of term bonds. The first term bond is for $28,045,000 with an interest rate of 5.625%, and due on May 1, 2029. The second term bond is for $27,540,000 with an interest rate of 6%, and due on May 1, 2037. The third term bond is for $33,095,000 with an interest rate of 6%, with an expected final turbo redemption date of May 1, 2022, and due on May 1, 2043.

$97,775,000 for two issues of Series 2002B Bonds, including $9,980,000 in serial bonds, issued with interest rates ranging from 3.125% to 5.125%, which final matured on May 1, 2017. The second series of B bonds represent three issues of term bonds. The first term bond is for $27,765,000 with an interest rate of 5.625%, due on May 1, 2029. The second term bond is for $27,265,000 with an interest rate of 6%, and due on May 1, 2037. The third term bond is for $32,765,000 with an interest rate of 6%, with an expected final turbo redemption date of May 1, 2022, and due on May 1, 2043.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

$25,566,106 Series 2006A Turbo Capital Appreciation Bonds with an interest rate of 6.25%, with an expected final turbo redemption date of June 1, 2028, and due on June 1, 2046.

$6,466,114 Series 2006B Turbo Capital Appreciation Bonds with an interest rate of 6.375%, with an expected final turbo redemption date of June 1, 2030, and due on June 1, 2046.

$18,913,518 Series 2006C Turbo Capital Appreciation Bonds with an interest rate of 7%, with an expected final turbo redemption date of June 1, 2035, and due on June 1, 2055.

$10,804,800 Series 2006D Turbo Capital Appreciation Bonds with an interest rate of 7.875%, with an expected final turbo redemption date of June 1, 2040, and due on June 1, 2055.

Future debt service requirements at June 30, 2021 are as follows:

Years Ended June 30,	Principal	Interest
2022	$ -	$ 8,665,838
2023	-	8,665,838
2024	-	8,665,838
2025	-	8,665,838
2026	-	8,665,838
2027-2031	25,350,000	40,477,314
2032-2036	-	36,199,500
2037-2041	54,805,000	23,046,300
2042-2046	78,652,220	299,058,600
2047-2051	-	-
2052-2054	29,718,318	938,916,194
	$ 188,525,538	$ 1,381,027,098

The following summarizes the long-term liabilities activity during the year:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due within One Year
Bonds payable	$ 194,430,538	$ -	$ (5,905,000)	$ 188,525,538	$ -
Add accreted interest	97,901,663	11,088,141	-	108,989,804	-
Less discounts	(3,648,564)	-	159,792	(3,488,772)	-
Long-term liabilities	$ 288,683,637	$ 11,088,141	$ (5,745,208)	$ 294,026,570	$ -

NOTE 7 - PLEDGED TOBACCO SETTLEMENT PROCEEDS

In November 1998, 46 states (including California), six other United States jurisdictions and participating cigarette manufacturers entered into a Master Settlement Agreement (MSA) in settlement of certain cigarette smoking litigation. The MSA calls for the cigarette manufacturers to make annual payments to the settling states, beginning in 2000 and continuing in perpetuity.

The State of California entered into a separate Memorandum of Understanding (MOU) with all California counties and certain affected cities regarding the distribution and use of the State's share of tobacco settlement revenues (TSRs). The MOU calls for 45% of the State's allocation to be distributed to the counties and certain affected cities based on population.

NOTE 8 - DEFICIT IN NET POSITION

Under the terms of the MSA as described in Note 7, the tobacco companies have agreed to make annual TSR payments in perpetuity. Under GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, these rights do not meet the criteria for recognition as an asset in the financial statements as the tobacco companies have no obligation to make TSR payments until cigarettes are shipped. The event that results in the recognition of an asset and revenue by the Authority is therefore the domestic shipment of cigarettes (sales). And since only the domestic shipment of cigarettes for the period of January 2021 through June 2021 had occurred and not been received by year end, this is the only receivable recognized by the Authority, which can only be estimated as it won't be received until 2022. That amount is estimated to be $7,551,309, which is one half of the $15,102,618 in TSRs estimated to be received for calendar year 2020 based on the analysis contained in the official statement of the California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Series 2006, adjusted downward based on actual TSRs received in recent years.

As a result of the full amount of the long-term liabilities in the amount of $294,026,570 being presented on the face of these financial statements, but only $7,551,309 in TSRs accrued on the face of these financial statements, net position is shown as a deficit of $260,348,729 at June 30, 2021.

It should be noted that a decline in the overall consumption of cigarettes below the levels estimated, based on the analysis contained in the official statement of the California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Series 2006, could have a material adverse effect on the payments received by the Authority used to pay its debt service payments of the Bonds. Although the Authority is currently on track to meet the maturity dates of the Bonds, it is presently behind on the expected final turbo redemption dates of those same Bonds.

As a result, on June 15, 2016, Fitch withdrew all ratings assigned to U.S. tobacco asset-backed securities because modifications to material calculations originally part of the base Master Settlement Agreement have eroded Fitch's confidence that ratings can be consistently maintained, as insufficient information exists to predict the likelihood and effect of future modifications, or that insufficient information will exist to support new, material variables included in the modifications.

Moody's ratings on the Series 2002 Bonds are Baa1 on the term bonds maturing on May 1, 2029, Ba2 on the term bonds maturing on May 1, 2037, and Ba3 on the term bonds maturing on May 1, 2043. Moody's hasn't rated the Series 2006 Bonds.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, receivables and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2021. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the Authority.

OTHER REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
California Statewide Financing Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the debt service fund of California Statewide Financing Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise California Statewide Financing Authority's basic financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered California Statewide Financing Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California Statewide Financing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of California Statewide Financing Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether California Statewide Financing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
November 8, 2021

ANNUAL MEETING AGENDA OF
THE CALEASE PUBLIC FUNDING CORPORATION (CaLease)

January 6, 2022
9:00 AM or upon adjournment of the CSFA Annual Meeting

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Commissioners of the CaLease Public Funding 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 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. 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, Chair
____ Tim Snellings, Vice Chair
____ Brian Moura, Secretary
____ Jordan Kaufman, Treasurer
____ Dan Mierzwa, Member
____ Brian Stiger, Member
____ Marcia Raines, Member
____ Niroop Srivatsa, Alt. Member
____ Matt Jennings, Alt. Member

2. Election of Officers.

3. Consideration of the minutes of the January 7, 2021 Annual Meeting.

4. Public Comment.

5. General Update.

6. Executive Director Update.

7. Staff Updates.

8. Adjourn.

MINUTES

ANNUAL MEETING AGENDA OF
THE CALEASE PUBLIC FUNDING CORPORATION (CaLease)
January 7, 2021
2:00 PM or upon adjournment of the CSFA Annual Meeting

Commission Chair Kevin O'Rourke called the meeting to order at 2:18 p.m.

1. Roll Call.
   Commission members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Jordan Kaufman, Dan Mierzwa, Brian Stiger, Marcia Raines and Niroop Srivatsa.
   Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coppinger; Alan Fernandes, CSAC Finance Corporation Jim Manker, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; Tricia Ortiz, Richards Watson & Gershon; Peter Pierce, Richards Watson & Gershon; and Patricia Eichar, Orrick, Herrington & Sutcliffe.

2. Election of Officers.

   M. Raines nominated the following officers to be elected, second by D. Mierzwa:

   Kevin O'Rourke as Chair
   Tim Snellings as Vice Chair
   Brian Moura as Secretary
   J. Kaufman as Treasurer

   Motion to close the nominations and adopt the slate of officers by M. Raines. Second by D. Mierzwa. Unanimously approved by roll-call vote.

3. Consideration of the Minutes of the January 9, 2020 Annual Meeting.

   The Commission approved the minutes of the January 9, 2020 Annual Meeting.

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

4. Public Comment.

   There was no public comment.

5. General Update

Staff reported that no transactions occurred in 2020. Cities and Counties had financial constraints and as a result no land was purchased. The program has partnered with Alpha Ledger, a new online bidding tool, to streamline processes for CaLease.

6. Executive Director Update.

The Executive Director had no update.

7. Staff Update.

Staff had no update.

8. Adjourn.

The meeting was adjourned at 2:25 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

California State Association of Counties

LEAGUE OF CALIFORNIA CITIES

ANNUAL MEETING AGENDA

January 6, 2022
9:00 AM or upon adjournment of the CaLease Meeting

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Members 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 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. 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	____ Brian Stiger, Member
____ Tim Snellings, Vice President	____ Marcia Raines, Member
____ Brian Moura, Secretary	____ Niroop Srivatsa, Alt. Member
____ Jordan Kaufman, Treasurer	____ Matt Jennings, Alt. Member
____ Dan Mierzwa, Member	

2. Election of Officers.

3. Consideration of the Minutes of the December 16, 2021 Meeting.

4. Public Comment

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

6. 2021 Review.

7. Executive Director Update.

8. Staff Updates.

9. Adjourn.

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

MINUTES

SPECIAL MEETING AGENDA
December 16, 2021
2:00 PM or upon adjournment of the CSCDA Meeting

Board President Kevin O'Rourke called the meeting to order at 2:31 pm.

1. Roll Call.

   Board members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Jordan Kaufman, Dan Mierzwa, and Brian Stiger.

   Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Sendy Young, CSAC Finance Corporation; Norman Coppinger, League of California Cities; Trisha Ortiz, Richards Watson & Gershon; and Allison Burns, Stradling.

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

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

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

3. Public Comment.

   There was no public comment.

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

   Executive Director Barna informed the Commission that the next round of allocation availability has commenced. Staff is currently working on the application. The application will be submitted on or before January 15, 2022 and awards are expected in late 2022. CSCDC's Executive Director recommended that the Commission adopt the resolution.

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

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

CSCDC's Executive Director noted that there was not much to report on since no allocations were awarded in the current previous years. CSCDC's Executive Director recommended approval of the 2020 and 2021 audited financial statements.

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

6. Executive Director Update.

   Executive Director Barna had no update.

7. Staff Update.

   Staff had no update.

8. Adjourn.

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

   Submitted by: Sendy Young, CSAC Finance Corporation

RESOLUTION NO. _____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION RECONSIDERING THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY AND MAKING FINDINGS IN CONNECTION THEREWITH TO AUTHORIZE MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, the Board of Directors of the California Statewide Communities Development Corporation (CSCDC) is committed to preserving and nurturing public access and participation in its meetings while balancing the need to conduct public meetings in a manner that reduces the likelihood of exposure to COVID-19; and

WHEREAS, all meetings of CSCDC are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Board of Directors conduct its business; and

WHEREAS, pursuant to Assembly Bill 361, signed by Governor Newsom and effective on September 16, 2021, legislative bodies of local agencies may hold public meetings via teleconferencing pursuant to Government Code Section 54953(e), without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, on March 4, 2020, Governor Newsom declared a declared a State of Emergency in response to the COVID-19 pandemic (the "Emergency").

WHEREAS, the Centers for Disease Control and Prevention continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time.

WHEREAS, due to the ongoing COVID-19 pandemic and the need to promote social distancing to reduce the likelihood of exposure to COVID-19, CSCDC determined that meetings of its legislative bodies may be held via teleconferencing pursuant to Government Code Section 54953(e).

WHEREAS, to continue meeting remotely pursuant to Government Code Section 54953(e), an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the

declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF CSCDC DOES RESOLVE AS FOLLOWS:

1. The Recitals provided above are true and correct and are hereby incorporated by reference.
2. The Board of Directors has reconsidered the circumstances of the COVID-19 state of emergency and the state of emergency continues to directly impact the ability of the members to meet safely in person.
3. The Board of Directors hereby finds that CSCDC may conduct its meetings via teleconferencing pursuant to Government Code section 54953(e).
4. Staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Corporation this __th day of ___________, 2022, by the following vote:

NEW MARKETS TAX CREDITS
PROGRAM SUMMARY AND UPDATE

January 6, 2022
CSCDC Annual Meeting

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

CSCDC History

- The California Statewide Communities Development Corporation (CSCDC) is an affiliate of CSCDA and was organized on May 6, 2011 as a 501(c)(3) nonprofit public benefit corporation.
- CSCDC is a "Community Development Entity" (CDE), created to participate in the U.S. Treasury's New Markets Tax Credit (NMTC) program.
- CSCDC competed for, and received a $35 million NMTC allocation award in 2013, a $38 million NMTC allocation award in 2014, a $70 million NMTC allocation award in 2016, and a $55 million NMTC allocation award in 2021.
  - $143 million of allocation was successfully deployed into thirteen projects.
  - Additional $55 million of allocation currently being deployed.
  - Focused on projects that have significant community impacts in low income communities.

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

NMTC Program Overview

- The New Markets Tax Credit (NMTC) program was enacted in 2000 as part of Community Renewal Tax Relief Act.
- Program goals: Place-based anti-poverty and community revitalization (i.e. through creation of services and jobs benefitting low income persons).
- Federal oversight: CDFI Fund (US Treasury Dept.) allocates NMTC authority to Community Development Entities (CDEs).
- In the 17 rounds to date, the CDFI Fund has made 1,354 allocation awards totaling $66 billion in tax credit authority.
- NMTC program has traditionally been reauthorized by Congress on an annual basis.

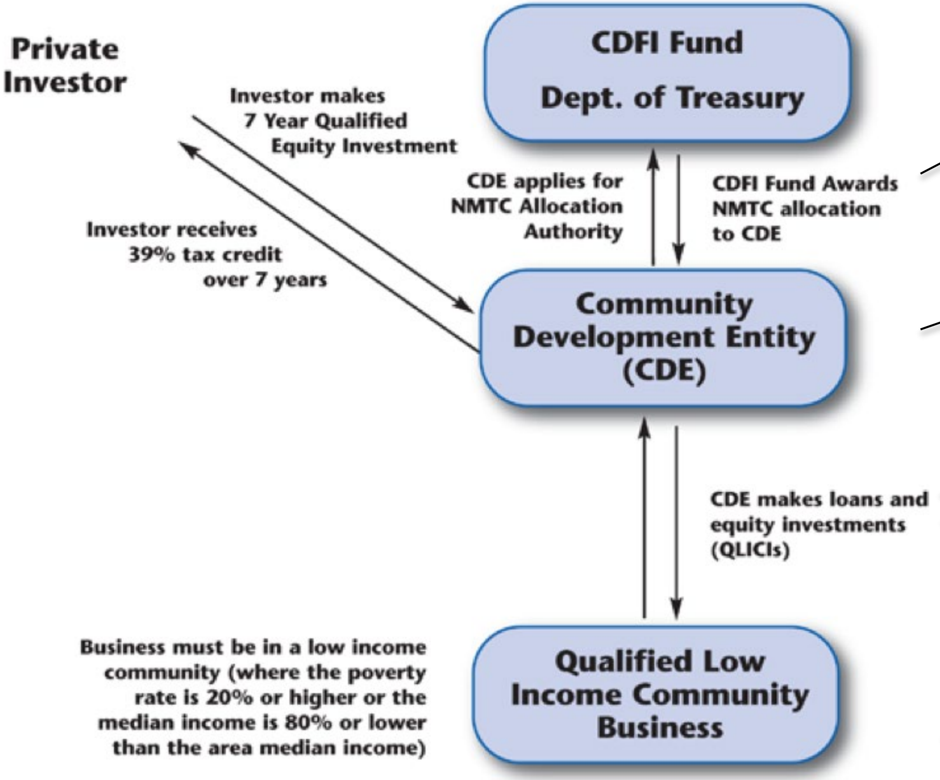
CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

NMTC Allocation Process

- CDFI Fund (program within U.S. Treasury Dept.) allocates NMTC authority to certified Community Development Entities (CDEs).
- CDEs are generally financial institutions, community-based lenders, municipalities, economic development agencies, or developers.
  - CSCDC is a certified CDE
- Each CDE has discretion to identify projects that will benefit from the NMTC subsidy.
- There are many more projects than there are allocations from CDEs.
  - Perhaps 10x oversubscribed by some estimates
  - Highly competitive process to secure NMTCs

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

NMTC Allocation Process



NMTC allocation authority is allocated to the private sector (CDEs) through a competitive process; CDEs then have authority to sub-allocate to businesses

CDEs are typically non-profit lenders, financial institutions, or economic development agencies

Highly competitive process for a business to secure NMTC allocation from a CDE; demand for subsidy is often 10x what is available.

NMTC financing is typically provided in the form of debt which may be forgiven at the end of the 7 year tax credit compliance period.

"QALICB" entity is a qualified NMTC borrower that is an SPE affiliate of the project sponsor which owns and develops real estate

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

CSCDC Advisory Board

- A CDE must demonstrate that it maintains accountability to residents of low income communities through representation on a governing board or an advisory board.

- At least 20% of the governing board or advisory board members must be representative of a low-income community (but not necessarily a resident in the community).

- CSCDC maintains an advisory board that is appointed by its governing board.

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT CORPORATION

CSCDC Advisory Board

- CSCDC's current advisory board is comprised of six members, all of whom are representative of low income communities:
    - Brad Wiblin, BRIDGE Housing
    - Claudia Lima, Enterprise Community Partners
    - Gene Straub, Children's Institute
    - Kathy Moxon, Redwood Coast Rural Action
    - Debbie Koski, Tipping Point Community
    - Bettina Lewis, LA Christian Health Centers

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

NMTC Eligibility

Qualified Active Low Income Community Business

- Commercial real estate*, Mixed use real estate, Community facilities, Business loans

*With the exception of certain prohibited uses

- Located in a "highly distressed" census tract – any one of the following:
  - Poverty > 30%
  - Median income < 60% of AMI
  - Unemployment > 1.5 times national average
  - Non-metropolitan county

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

California Statewide Communities Development Corporation

NMTC Projects Financed

Swan's Marketplace – Oakland

- $10,000,000 NMTC allocation will allow for the revitalization of Swan's Marketplace, a commercial property owned and managed by the nonprofit East Bay Asian Local Development Corporation.

Shasta Community Health Center - Redding

- $9,000,000 NMTC allocation for a Federally Qualified Health Center that will serve 20,000 patients annually.

Alliance College-Ready Public Schools – Los Angeles

- $6,000,000 NMTC allocation to support the development of a new charter school facility in LA. Alliance is the largest nonprofit charter organization in LA, comprised of 22 free, public charter high schools and middle schools serving 10,000 low-income students.

West Hills Community College Farm of the Future - Coalinga

- $10,000,000 NMTC allocation for WHCC's new Agricultural Science facility. The facility will include a 15,000 square foot career and technical education complex, a student-run farmer's market, and an 885kW solar installment that will result in $400,000 in annual savings.

California Statewide Communities Development Corporation

NMTC Projects Financed (Continued)

Big Brothers Big Sisters of Orange County – Santa Ana

- $10,500,000 NMTC allocation to Big Brothers Big Sisters of Orange County to finance the purchase and renovation of a 52,565-square-foot office building in Santa Ana.

Open Door Community Health Centers – Humboldt County

- $8,500,000 NMTC allocation to Open Door Community Health Centers to finance the repayment of existing loans — freeing up debt capacity and enabling Open Door to fund expansion.

Carson Block - Eureka

- $7,000,000 NMTC allocation to the Northern California Indian Development Council to fund upgrades that will preserve and revitalize its headquarters office — the historic Carson Block Building.

Worthington Square - Imperial

- $12,000,000 NMTC allocation for the new construction of a mixed-use development that will include 11,000 SF of commercial retail space along with 48 residential apartment units.

California Statewide Communities Development Corporation

NMTC Projects Financed (Continued)

LA Prep South – Los Angeles

- $14,000,000 NMTC allocation to LA Prep South to finance a 60,000 sq. ft. multi-tenant food production facility located in South Los Angeles that will provide pre-inspected, ready-to-occupy, private kitchen spaces to small food manufacturers.

Lao Family Community Development – Oakland

- $13,430,000 NMTC allocation to Lao Family Community Development to finance its new CARE Center, the rehabilitation of a 30,000 sq. ft. building located in East Oakland that will serve as its new headquarters as well as a multi-service community facility.

Livingston Community Health – Livingston

- $11,070,000 NMTC allocation to Livingston Community Health to finance its new 35,000 sq. ft. primary care medical and dental campus located in Livingston which will serve 4,000 additional patients per year.

LifeLong Medical Care – Richmond

- $16,500,000 NMTC allocation to LifeLong Medical Care to finance its new 34,784 sq. ft. primary medical, dental and urgent care campus located in Richmond which will serve 19,000 additional patients per year.

California Statewide Communities Development Corporation

NMTC Projects Financed (Continued)

Jordan Downs Plaza – Los Angeles

- $15,000,000 NMTC allocation to Jordan Downs Plaza, a new 114,000 sq. ft. neighborhood shopping center that will provide critically needed commercial goods and services to the community through multiple retail tenants, benefiting 11,000 households, of which approximately 70% have an annual household income of less than $50,000.

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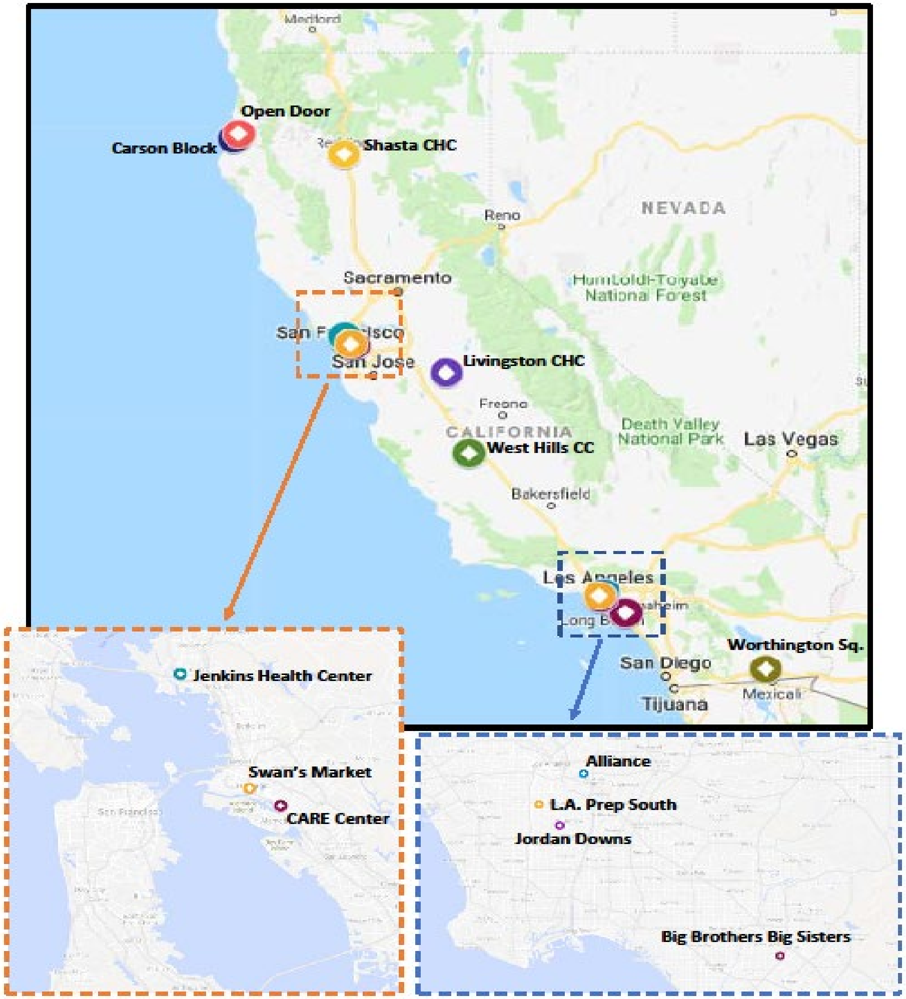
California Statewide Communities Development Corporation

CSCDC NMTC Track Record Projects



Looking Ahead to 2022

- CSCDC will deploy its current $55,000,000 in NMTC allocation into 5-6 eligible projects.
- CSCDC will submit its application seeking NMTC allocation in the Round 18 competitive process. Awards are expected sometime in Q4, 2022.
- CSCDC will continue to evaluate potential pipeline projects throughout the year.

CSCDC
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

CSCDA
COMMUNITY IMPROVEMENT AUTHORITY

ANNUAL REGULAR MEETING AGENDA

January 6, 2022
9:00 AM or upon adjournment of the CSCDC Meeting

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Commissioners of the CSCDA Community Improvement 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 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. 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, Chair
   ____ Tim Snellings, Vice Chair
   ____ Brian Moura, Secretary
   ____ Jordan Kaufman, Treasurer
   ____ Dan Mierzwa, Member
   ____ Marcia Raines, Member
   ____ Brian Stiger, Member
   ____ Niroop Srivatsa, Alt. Member
   ____ Matt Jennings, Alt. Member

2. Election of Officers.

3. Consent Calendar.

4. Public Comment.

5. Consideration of a resolution authorizing the acquisition and ownership of a multifamily rental housing facility (The Crescent Apartments), City of West Hollywood, County of Los Angeles, and issue an amount not to exceed $130,000,000 in revenue bonds.

6. 2021 Review and 2022 Overview.

7. Strategic Discussion.

8. Executive Director Update.

9. Staff Updates.

10. Adjourn.

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

CONSENT CALENDAR

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

January 6, 2022

RESOLUTION NO. _____

A RESOLUTION OF THE CSCDA COMMUNITY IMPROVEMENT AUTHORITY RECONSIDERING THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY AND MAKING FINDINGS IN CONNECTION THEREWITH TO AUTHORIZE MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, the Commission of the CSCDA Community Improvement Authority (CSCDA CIA) is committed to preserving and nurturing public access and participation in its meetings while balancing the need to conduct public meetings in a manner that reduces the likelihood of exposure to COVID-19; and

WHEREAS, all meetings of CSCDA CIA are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Commission conduct its business; and

WHEREAS, pursuant to Assembly Bill 361, signed by Governor Newsom and effective on September 16, 2021, legislative bodies of local agencies may hold public meetings via teleconferencing pursuant to Government Code Section 54953(e), without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, on March 4, 2020, Governor Newsom declared a declared a State of Emergency in response to the COVID-19 pandemic (the "Emergency").

WHEREAS, the Centers for Disease Control and Prevention continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time.

WHEREAS, due to the ongoing COVID-19 pandemic and the need to promote social distancing to reduce the likelihood of exposure to COVID-19, CSCDA CIA determined that meetings of its legislative bodies may be held via teleconferencing pursuant to Government Code Section 54953(e).

WHEREAS, to continue meeting remotely pursuant to Government Code Section 54953(e), an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the

declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

NOW, THEREFORE, THE COMMISSION OF CSCDA CIA DOES RESOLVE AS FOLLOWS:

1. The Recitals provided above are true and correct and are hereby incorporated by reference.
2. The Commission has reconsidered the circumstances of the COVID-19 state of emergency and the state of emergency continues to directly impact the ability of the members to meet safely in person.
3. The Commission hereby finds that CSCDA CIA may conduct its meetings via teleconferencing pursuant to Government Code section 54953(e).
4. Staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the CSCDA Community Improvement Authority this __th day of ___________, 2022, by the following vote:

CSCDA
COMMUNITY IMPROVEMENT AUTHORITY

Agenda Item No. 5

Agenda Report

DATE: January 6, 2022

TO: CSCDA CIA BOARD OF DIRECTORS

FROM: Jon Penkower, Managing Director

PROJECT: The Crescent Apartments

PURPOSE: Approve the Acquisition, Ownership and Financing of Rental Housing Project Located in the City of West Hollywood, County of Los Angeles

AMOUNT: Not to Exceed $130,000,000

EXECUTIVE SUMMARY:

The Crescent Apartments (the "Project") is the acquisition and financing of a 130-unit rental housing project located in the City of West Hollywood. 100% of the units will be restricted to low- and middle-income tenants.

PROJECT DESCRIPTION:

- Acquisition of 130-unit rental housing project located at 1274 N. Crescent Heights Blvd. in the City of West Hollywood.
- Property built in 1985, recently updated.
- One-bedroom and two-bedroom apartments.
- Facilities include a fitness center, swimming pool, spa, cabanas, clubhouse, and courtyard.

PROJECT ANALYSIS:

Background on Project Sponsor & Administrator:

Standard Communities is a multifamily housing investor and developer. Standard has been actively engaged in institutional multifamily investment, acquisition, development financing and asset management since 2008 across more than $2 billion of transactions. Standard's current multifamily investments include residential rental facilities throughout the United States, totaling more than 15,000 units market rate and affordable units. Standard creates a sense of community at its properties, providing residents a home they can be proud of and a support system that allows them to achieve their goals. Its work, often in coordination with public agencies, has created impactful investments in affordable housing. This is Standard's 6th CIA workforce housing project.

Public Agency Approval:

Host Jurisdiction Approval: October 18, 2021 – City of West Hollywood

Public Benefits:

- 100% of the units will be rent restricted.
    - 25% of units restricted to 80% or less of area median income households.
    - 25% of units restricted to 100% or less of area median income households.
    - 50% of units restricted to 120% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, other retail establishments, and public K-12 schools.
- Annual rent increases are limited to the lesser of 4% and increase in area median income.
- All surplus revenue upon the sale or recapitalization of the Property is provided to the City and other taxing agencies.

Sources and Uses:

Sources of Funds:	
Senior Bonds:	$ 117,690,000
Discount:	$ (10,293,411
Subordinate Bonds:	$ 3,000,000
Total Sources:	$ 110,396,589
Uses of Funds:	
Acquisition:	$ 84,000,000
Capitalized Interest:	$ 5,400,000
Operating Reserve:	$ 278,000
Coverage Reserve:	$ 766,500
Capital Reserve:	$ 5,850,000
Debt Service Reserve:	$ 3,832,162
Operating Account:	$ 278,000
Extraordinary Expense Reserve:	$ 500,000
Insurance Escrow:	$ 131,839
Project Sponsor Fee:	$ 2,250,000
Deferred Payment Subordinate Bond Purchaser:	$ 3,000,000
Costs of Issuance:	$ 4,110,088
Total Uses:	$ 110,396,589

Finance Partners:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP
Underwriter:	Stifel
Trustee:	Wilmington Trust
Authority Financial Advisor:	BLX Group, LLC

Authority Insurance Consultant:	Woodruff Sawyer & Co.
Designated Agent for Authority:	Bridge Strategic Partners, LLC

<u>Finance Terms</u>:

Rating:	Unrated
Term:	Up to 35 years
Method of Sale:	Limited Public Offering
Estimated Closing:	January 31, 2022

<u>CSCDA CIA Policy Compliance</u>:

The acquisition and financing of the Project complies with CSCDA CIA's issuance and project ownership policies. The Project has been reviewed and approved by CSCDA CIA's Financial Advisor and Insurance Consultant.

DOCUMENTS: (as attachments)

1. CSCDA CIA Resolution (Attachment A)
2. Project Photographs

BOARD ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

It is recommended that the Board of Directors adopt the resolution, which:

1. Approves the acquisition of the Project and issuance of the bonds;

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

3. Authorizes any member of the Board of Directors or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

RESOLUTION NO. 2022-_____

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

A RESOLUTION AUTHORIZING A PROJECT CONSISTING OF THE ACQUISITION AND OWNERSHIP BY THE AUTHORITY OF A MULTIFAMILY RENTAL HOUSING FACILITY LOCATED IN THE CITY OF WEST HOLLYWOOD, CALIFORNIA AND THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $130,000,000 TO FINANCE THE COSTS OF THE PROJECT AND CERTAIN RELATED COSTS AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the "Joint Exercise of Powers Act" (the "Act"), a California city and a California county (together with any other political subdivision that have been or may from time to time be designated as an "Additional Member" of the Authority pursuant to the Joint Exercise Agreement, collectively, the "Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the CSCDA Community Improvement Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to finance or assist in the financing of various types of projects and programs whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Authority wishes to acquire and provide for the continued operation of a multifamily rental housing facility (the "Project") located in the City of West Hollywood, State of California (the "Project Jurisdiction"); and

WHEREAS, pursuant to a Trust Indenture (the "Indenture") between the Authority and Wilmington Trust, National Association (the "Trustee"), the Authority will issue its CSCDA Community Improvement Authority Senior Essential Housing Revenue Bonds, (The Crescent-West Hollywood) Series 2022A (Social Bonds) (the "Series 2022A Bonds"), its CSCDA Community Improvement Authority Mezzanine Essential Housing Revenue Bonds (The Crescent-West Hollywood) Series 2022B (Social Bonds) (the "Series 2022B Bonds"), and its CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (The Crescent-West Hollywood) Series 2022C (the "Series 2022C Bonds" and, together with the Series 2022A Bonds and the Series 2022B Bonds, the "Bonds") for the purpose of, among others things, acquiring the Project; and

WHEREAS, Standard Faring Essential Housing VII LLC ("Standard Faring") will assign and the Authority will assume the rights and (with certain exceptions) responsibilities of that certain Purchase and Sale Contract, dated as of December 20, 2021, as amended by that certain First Amendment to Purchase and Sale Contract, dated as of December 20, 2021, each by and between Standard Faring, as buyer, and La Crescent Gardens LP, a Delaware limited partnership, as seller (the "Seller"), pursuant to an Assignment and Assumption of Purchase Agreement (the "Assignment and Assumption Agreement"), by and between Standard Faring, as assignor, and the Authority, for an acquisition price (subject to adjustment for, among other things, valuations and prorations, the "Purchase Price") consisting of: (i) a cash payment to the Seller of not-to-exceed $92,500,000 from a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds; and (ii) an upfront payment to Standard Faring and the issuance and delivery to, or as directed by, Standard Faring of the Series 2022C Bonds, as assignor under the Assignment and Assumption Agreement; and

WHEREAS, the Bonds will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing (the "Deed of Trust") from the Authority to the Trustee granting a lien on the Authority's interest in the Project in favor of the Trustee for the benefit of the owners from time to time of the Bonds; and

WHEREAS, the Authority will agree, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), between the Authority and the Trustee, to maintain certain occupancy and rent restrictions on the Project, which shall be in effect with respect to the Project until the payment or defeasance in full of the Bonds; and

WHEREAS, following the Authority's purchase thereof, the Project will be operated by AMC-CA, Incorporated, dba Apartment Management Consultants, and/or any other property manager to be named (the "Property Manager") pursuant to a Property Management Agreement (the "Management Agreement") between the Authority and the Property Manager; and

WHEREAS, Standard Crescent Administrator LLC is knowledgeable and experienced in managing affordable housing projects, and the Authority wishes to engage Standard Crescent Administrator LLC (the "Project Administrator") to provide the management oversight and administration services specified in and pursuant to a Project Administration Agreement (the "Project Administration Agreement") between the Authority and the Project Administrator; and

WHEREAS, pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Authority and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Underwriter will agree to purchase the Series 2022A Bonds and the Series 2022B Bonds, and pursuant to the distribution of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the Series 2022A Bonds and the Series 2022B Bonds will be offered and sold in accordance with the Authority's issuance policies exclusively to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act of 1933, as amended, the "Securities Act") or Accredited Investors as described in Rule 501 of Regulation D under the Securities Act, and the proceeds of such sale will be used as set forth in the Indenture to finance, among other things, the Authority's acquisition of the Project; and

WHEREAS, pursuant to the Indenture, the Series 2022C Bonds will be issued and delivered to, or as directed by, Standard Faring as part of the purchase of the Project; and

WHEREAS, the Authority will enter into a Public Benefit Agreement (the "Public Benefit Agreement") with the Project Jurisdiction pursuant to which the Authority will grant to the Project Jurisdiction the right to cause the Authority to sell all of the Authority's right, title and interest (which includes fee simple title) to the Project while the Bonds are Outstanding, and, if not sold as aforesaid, will require the Authority to sell the Project when no Bonds remain outstanding; and

WHEREAS, the Project Jurisdiction has, by resolution and execution of the Agreement, become an Additional Member (as defined in the Agreement) of the Authority, and has approved the issuance of bonds for projects within the Project Jurisdiction and authorized the Public Benefit Agreement with the Authority in recognition of the significant public benefits; and

WHEREAS, in connection with the issuance of the Bonds, the Authority will deliver a tax certificate setting forth certain representations, expectations and covenants of the Authority pertaining to the tax status of the Bonds (the "Tax Certificate"); and

WHEREAS, in order to provide ongoing information to the purchasers of the Bonds, the Authority proposes to enter into a Continuing Disclosure Agreement to be dated the date of issuance of the Bonds (the "Continuing Disclosure Agreement"), between the Authority and the dissemination agent named therein; and

WHEREAS, the Board of Directors of the Authority (the "Board"), based on representations of the Project Administrator, but without independent investigation, has found and determined that the issuance of the Bonds and financing of the acquisition of the Project will promote significant public benefits for the Project Jurisdiction, including employment benefits from undertaking the Project in a timely fashion, more efficient delivery of local agency services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; and

WHEREAS, the Authority desires to designate the Series 2022A Bonds and the Series 2022B Bonds as "Social Bonds" and to obtain a second-party opinion from Sustainalytics (the "Sustainalytics Opinion") to the effect that the Social Bond Framework (the "Social Bond Framework") and, among other things, the use of proceeds of such bonds in accordance with the requirements of the Social Bond Framework, is consistent with the Social Bond Principles administered by the International Capital Market Association; and

WHEREAS, there have been made available to the Board prior to this meeting proposed forms of:

(a) the Indenture (including a Master Glossary of Terms and the proposed forms of the Bonds);

(b) the Assignment and Assumption Agreement;

(c) the Deed of Trust;

(d) the Regulatory Agreement;

(e) the Management Agreement;

(f) the Project Administration Agreement;

(g) the Guaranty Agreement;

(h) the Bond Purchase Agreement;

(i) the Continuing Disclosure Agreement;

(j) the Public Benefit Agreement;

(k) the Limited Offering Memorandum; and

(l) the Social Bond Framework; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Series 2022A Bonds and the Series 2022B Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the CSCDA Community Improvement Authority, as follows:

Section 1. The Board hereby finds and declares that the Authority's acquisition and continued operation of the Project and the financing thereof through the issuance of the Bonds as hereinabove recited are in furtherance of the public purposes of the Act, the Agreement and the foregoing recitals and is within the powers conferred upon the Authority by the Act and the Agreement.

Section 2. Pursuant to the Act, the Agreement and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the "CSCDA Community Improvement Authority Senior Essential Housing Revenue Bonds, (The Crescent-West Hollywood) Series 2022A (Social Bonds)," the "CSCDA Community Improvement Authority Mezzanine Essential Housing Revenue Bonds (The Crescent-West Hollywood) Series 2022B (Social Bonds)," and the "CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (The Crescent-West Hollywood) Series 2022C" including, if and to the extent necessary, one or more sub-series, taxable or tax-exempt, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $130,000,000. The Bonds shall be issued and secured in accordance with the terms of the Indenture and shall be in substantially the forms contained in the Indenture and presented at this meeting. The final maturity of the Series 2022A Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate to be borne by the Series 2022A Bonds (inclusive of any "taxable," "penalty," or "default" rate) shall not exceed 12% per annum. The final maturity of the Series 2022B Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate to be borne by the Series 2022B Bonds (inclusive of any "taxable," "penalty," or "default" rate) shall not exceed 12% per annum. The final maturity of the Series 2022C Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate with respect to the Series 2022C Bonds (inclusive of any "taxable," "penalty," or "default" rate) shall not exceed 12% per annum. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee, as paying agent and registrar, or at the office of any successor or additional paying agent and registrar in accordance with the Indenture. The Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture.

Section 3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Director of the Authority, including the Vice-Chair and Treasurer of the Authority, or any other person as may be designated and authorized to sign for the Authority pursuant to Resolution No. 2020-02 of the Authority, adopted on October 15, 2020 (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The facsimile, electronic or digital signature of any Authorized Signatory shall be deemed to be the legal equivalent of a manual signature on the Bonds and other documents and valid and binding for all purposes. If any Authorized Signatory whose signature, countersignature or attestation appears on a Bond or Bond-related document ceases to be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond-related document (regardless of whether any such Bond-related document is specifically identified in this Resolution) is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 4. The proposed form of Indenture, including the proposed forms of Bonds, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Indenture and an Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated dates, maturity date or dates, interest rate or rates, the amounts and timing and application of deposits to the funds or accounts, interest and principal payment periods and date or dates, principal amounts, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, conditions for issuance of additional bonds, covenants, whether such Bonds are tax-exempt or taxable and other terms of the Bonds shall be as provided in the Indenture as finally executed. The appointment of Bridge Strategic Partners LLC to serve as Designated Agent, as provided in the Indenture, with the authority, duties and limitations set forth therein, is hereby approved and confirmed.

Section 5. The purchase of the Project and related assets by the Authority, on the terms set forth in the Assignment and Assumption Agreement, is hereby approved. The proposed form of Assignment and Assumption Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Assignment and Assumption Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Assignment and Assumption Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The purchase price of the Project (subject to adjustment for, among other things, valuations and prorations) shall consist of (i) a cash payment to the Seller of not-to-exceed $92,500,000 from a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds, and (ii) an upfront payment to Standard Faring and the issuance and delivery to, or as directed by, Standard Faring of the Series 2022C Bonds, as assignor under and in accordance with the Assignment and Assumption Agreement.

Section 6. The grant by the Authority to the Trustee of a lien on and security interest in the Project, pursuant to and on the terms set forth in the Deed of Trust, is hereby approved. The proposed form of Deed of Trust, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Deed of Trust in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The rent and occupancy restrictions placed on the Project pursuant to and on the terms set forth in the Regulatory Agreement are hereby approved. The proposed form of Regulatory Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Regulatory Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The engagement of the Property Manager to manage and operate the Project on the Authority's behalf, and the delegation to the Property Manager of certain powers to act in its discretion on behalf of the Authority in connection therewith, in accordance with the terms and provisions of the Management Agreement, are hereby approved. The proposed form of Management Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Management Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The engagement of the Project Administrator to provide management oversight and administration services for the Project on the Authority's behalf, and the delegation to the Project Administrator of certain powers to act in its discretion on behalf of the Authority in connection therewith, in accordance with the terms and provisions of the Project Administration Agreement, are hereby approved. The proposed form of Project Administration Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Project Administration Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The proposed form of Guaranty Agreement, as presented to this meeting, is hereby approved, and an Authorized Signatory is hereby authorized and directed, from and on behalf of the Authority, to execute and deliver the Guaranty Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The proposed form of Limited Offering Memorandum relating to the Series 2022A Bonds and the Series 2022B Bonds is hereby approved. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver a Limited Offering Memorandum in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 12. The Authority consents to the distribution by the Underwriter of the preliminary form of Limited Offering Memorandum to persons who may be interested in the purchase of the Series 2022A Bonds and the Series 2022B Bonds and its delivery of the Limited Offering Memorandum in final form to the purchasers of the Series 2022A Bonds and the Series 2022B Bonds, in each case with such changes as may be approved as aforesaid.

Section 13. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Bond Purchase Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, provided that any fee or discount to the Underwriter not exceed $1,950,000.

Section 14. The proposed form of Continuing Disclosure Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Continuing Disclosure Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve.

Section 15. The proposed form of the Public Benefit Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Public Benefit Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Public Benefit Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver a Tax Certificate, in such form as such Authorized Signatory, with the advice of Bond Counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 17. The Bonds, when executed as provided in Section 3 and as provided in the Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory. Such instructions shall provide for the delivery of the Bonds upon payment of the purchase price thereof.

Section 18. The proposed form of the Social Bond Framework, as presented to this meeting, is hereby approved. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver any and all documents and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to obtain the Sustainalytics Opinion and to designate the Series 2022A Bonds and the Series 2022B Bonds as "Social Bonds."

Section 19. The Chair, the Vice-Chair, the Secretary and other appropriate officers and agents of the Authority, including each Authorized Signatory, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with acquiring, equipping, owning and operating the Project, securing insurance related to the Project, investing proceeds of the Bonds or revenues of the Project, or credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions or to perform its obligations under the documents which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including entering into security agreements, bond purchase agreements, pledge agreements, collateral assignments, direct agreements and/or consents to assignment with respect to documents entered into by the Authority, the Project Administrator or the Property Manager in connection with the Project and assisting in the preparation of the Limited Offering Memorandum, and any other or subsequent agreements, supplements, instruments, amendments, approvals, authorizations, directions, certifications, waivers or consents entered into or given in accordance with such documents including any letter agreements with the Project Jurisdiction. It is not necessary that the Bonds and various documents authorized hereby or otherwise relating to the Bonds all be signed by the same Authorized Signatory.

Section 20. All actions heretofore taken by the Chair, the Vice-Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 21. This Resolution shall take effect from and after its adoption; provided, that no Bond authorized hereby shall be issued unless and until the Authority has been furnished with satisfactory evidence of the approvals by the Project Jurisdiction as hereinabove recited.

PASSED AND ADOPTED on the 6th day of January, 2022

I, the undersigned, an Authorized Signatory of the CSCDA Community Improvement Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on January 6, 2022.

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

____

Name: ______________________________
Title: Authorized Signatory

EXHIBIT A

REQUIRED DISCLOSURES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 5852.1

1. True Interest Cost of the Series 2022A Bonds and the Series 2022B Bonds (Estimated): 4.287%

2. Finance charge of the Series 2022A Bonds and the Series 2022B Bonds, being the sum of all fees and charges paid to third parties (Estimated): $6,212,575

3. Proceeds of the Series 2022A Bonds and the Series 2022B Bonds expected to be received by the Authority, net of proceeds for Costs of Issuance in (2) above, and reserves (if any) to be paid from the principal amount of the Series 2022A Bonds and the Series 2022B Bonds (Estimated): $101,344,775

4. Total Payment Amount for the Series 2022A Bonds and the Series 2022B Bonds, being the sum of all debt service to be paid on the Series 2022A Bonds and the Series 2022B Bonds to final maturity (Estimated): $241,426,271

* All amounts and percentages are estimates, and are made in good faith by the Authority based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Series 2022A Bonds and the Series 2022B Bonds.

* The information set forth in this Exhibit A relates solely to the Series 2022A Bonds and the Series 2022B Bonds. Such categories of information are not applicable to the Series 2022C Bonds.

ATTACHMENT B
(Project Photographs)

CSCDA

COMMUNITY IMPROVEMENT AUTHORITY

California State Association of Counties

LEAGUE OF CALIFORNIA CITIES

Annual Review

January 6, 2022

www.cscda.org

The Problem: The Missing Middle

- Massive shortage of available workforce housing for the “Missing Middle”:

  - **Individuals and families earning too much to qualify for traditional affordable housing, but not enough to afford market rate rents in the communities where they work.**

- Workforce housing (aka “Middle-income” or “Moderate-income” housing) is for earners of between 60% and 120% AMI
  - **Healthcare Workers, First Responders (Police/Fire), Teachers, Government, and Small Business Employees.**

- Unfortunately, <u>housing for the “Missing Middle” is generally not eligible</u> for tax credits, private activity bonds or most other federal, state or local government subsidies.

The Problem Just Got Worse

- Multi-Family Asking Rents in California are Up **<u>8.4%</u>** Year-Over-Year

  - <u>Orange County</u> – Up **<u>17.9%</u>**
  - <u>San Diego</u> – Up **<u>12.4%</u>**
  - <u>Inland Empire</u> – Up **<u>14.7%</u>**
  - <u>Los Angeles</u> – Up **<u>5.9%</u>**
  - <u>San José</u> – Up **<u>6.4%</u>**
  - <u>Sacramento</u> – Up **<u>11.6%</u>**

- Statewide Rents are Expected to Increase by **<u>16.4%</u>** during the Next 12 Months.

- Current Average Statewide Vacancy Rate is **<u>3.4%</u>**

*Data Per COSTAR

The Solution

- **CSCDA acquires multifamily properties and records a regulatory agreement restricting rents, rent increases and eligibility for residents earning 60% to 120% AMI**.

- All properties 100% financed with tax-exempt governmental bonds - **no equity or other public subsidies are required**.

- City approves a **Resolution** joining the JPA to unlock bond financing and >>

- Enters into a **Public Benefit Agreement** whereby the City receives all surplus revenue when a property is sold or refinanced.

- The City incurs **no fees, costs, liability or administrative responsibilities** in connection with the program or individual projects.

Program Details

- Immediate resident savings (often $300-$1,000+ per month).
- Rent increases limited to lesser of AMI growth and 4%.
- Extensive reserves required for debt service and future capital improvements.
- No existing tenants are displaced.
- Best-in-class property management.
- City/County controls ultimate disposition of the properties.
- Potential for significant net sale proceeds.

CSCDA Workforce Housing Projects

- **$4.5 Billion in Bonds Issued for Projects throughout California.**
- **7,300 Units Acquired Since Program Inception.**
- **Participating Cities:**

- **City of Carson** (2 Projects)
- **City of Anaheim** (4 Projects)
- **City of Long Beach**
- **City of Monrovia**
- **City of Glendale** (2 Projects)
- **City of Pasadena** (4 Projects)
- **City of Dublin**
- **City of Orange** (2 Projects)
- **City of Santa Rosa** (2 Projects)
- **City of Fairfield** (2 Projects)
- **City of Pomona** (2 Projects)
- **City of Hawthorne**
- **City of Pleasant Hill**
- **City of Escondido**

Program Customization

- Meeting Individual City Priorities
- Rental Preference Policies
- City Input Regarding Affordability Levels
  - City of Pomona
  - Cities of Anaheim, Long Beach and Pasadena

Outcomes from Anaheim

450 Lease Conversions since March 2021

# of Residents	Occupation(s)	Employer(s)	Average Household Income
42	Park Employee	Disney	$72,903
9	Employee	County of Orange	$72,332
8	Employee	Boeing	$89,121
8	Employee	State of California	$72,234
8	Teacher	Anaheim Unified School District	$66,121
6	Employee	Tenet Healthcare	$86,032
6	Employee	St. Joseph Healthcare System	$89,122
4	Fire Fighter	Orange County Fire Authority	$76,740
3	Employee	Albertson	$68,232
3	Paramedic	First MED Ambulance	$72,590
2	Employee	UC Irvine	$68,213
2	Medical Supply Tech; Unemployed	CHOC	$94,296
2	Marketing; City Employee	Self; City of Orange	$73,123
2	Engineer; Unemployed	Nautilus Huxsung	$76,780
2	Sales; Sales	Crunch Fitness; Bath & Body Works	$87,880
2	Event Planner; Unemployed	Self	$117,000
2	Police Officer	Anaheim Police Officer	$81,324
2	Merchandise Coordinator; Intern	Lululemon; Morgan Stanley	$75,600
2	City Employee; Unemployed	City of La Habra	$42,964
1	Employee	Chapman University	$64,131
1	Accountant	County of Orange	$63,000
1	Community Manager	Holland Residential	$72,010
1	Account Executive	Vector USA	$60,000
1	City Employee	City of Long Beach Employee	$84,298
1	Bank Employee	Wells Fargo	$58,045
1	Sheriff	Los Angeles County Sheriff	$76,324
1	Teacher	Los Angeles Unified School District	$62,123
1	Community Manager	Greystar	$75,000

Parallel Apartments – Anaheim

- **Closed in <u>February, 2021</u>**
- **<u>386</u> Units**
- **<u>166</u> Income Eligible Units Occupied**
- **<u>43%</u> of Property Converted in Just 10 Months**
- **<u>98.2%</u> Total Occupancy**
- **<u>$941</u> Average Monthly Rental Savings Per Unit**
- **<u>$11,286</u> Average Annual Rental Savings Per Unit**
- **<u>31.2%</u> Savings vs. Market Rent**

Parallel Apartments – Anaheim

AMI DISCOUNTS	80%			100%		
	Market	Authority	Rent Savings	Market	Authority	Rent Savings
Parallel						
0 BR (39 Units)	$2,556	$1,671	**$885**	$2,556	$1,744	**$812**
1 BR (243 Units)	$2,793	$1,879	**$914**	$2,793	$1,961	**$832**
2 BR (104 Units)	$3,718	$2,361	**$1,357**	$3,718	$2,465	**$1,253**
AVG	$3,018	$1,988	**$1,030**	$3,018	$2,075	**$943**

120%			Avg. Savings per Month
Market	Authority	Rent Savings	
$2,556	$1,818	**$738**	
$2,793	$2,044	**$749**	
$3,718	$2,569	**$1,149**	
$3,018	$2,163	**$855**	**$941**

Paramount Apartments – Anaheim

AMI DISCOUNTS	80%			100%		
	Market	Authority	Rent Savings	Market	Authority	Rent Savings
Paramount						
0 BR (28 Units)	$2,556	$1,671	**$885**	$2,556	$1,744	**$812**
1 BR (161 Units)	$2,793	$1,879	**$914**	$2,793	$1,889	**$904**
2 BR (193 Units)	$3,718	$2,361	**$1,357**	$3,718	$2,383	**$1,335**
3 BR (18 Units)	$4,707	$2,917	**$1,790**	$4,707	$3,110	**$1,597**
AVG	$3,309	$2,144	**$1,165**	$3,309	$2,172	**$1,137**

120%			Avg. Savings per Month
Market	Authority	Rent Savings	
$2,556	$1,818	**$738**	
$2,793	$1,928	**$865**	
$3,718	$2,432	**$1,286**	
$4,707	$3,174	**$1,533**	
$3,309	$2,220	**$1,089**	**$1,129**

Multifamily Property Prices Soaring

- **Paramount Apartments, Anaheim (formerly known as Jefferson Platinum Triangle) – acquired by CSCDA CIA in February, 2021 for $400,000 per unit.**
- **Jefferson Edge, Anaheim – sold in December, 2021 for $501,000 per unit.**
- **Jefferson Rise, Anaheim – sold in December, 2021 for $516,000 per unit.**
- **Amplifi Apartments, Fullerton – sold in November, 2021 for $575,000 per unit.**
- **580 Anton, Costa Mesa – under contract for $640,000 per unit.**

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Parallel Apartments – Anaheim

Parallel Apartments – Anaheim

CSCDA CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Oceanaire Apartments – Long Beach

Oceanaire Apartments – Long Beach

Tenant Impact

Testimonials

- "The CSCDA Workforce Housing Program is a powerful policy tool for cities to provide immediate housing affordability for "Essential Workers" while also providing cities with substantial long-term financial contributions. It is an innovative and creative financing structure to provide housing for a segment of the population where very little new housing production exists. The City of Anaheim's residents are already benefiting from significantly reduced rents among the projects participating in the program." – **Councilmember Trevor O'Neil, City of Anaheim**

- "The City of Pomona is pleased to partner with Waterford and CSCDA in positioning the 777 Apartments for another 30 years of affordability. We see this as a positive piece to the larger effort of addressing the dire need for affordable housing solutions in California." – **Kirk Pelser, Deputy City Manager, City of Pomona**

Testimonials

- "The CSCDA Missing Middle housing program is an excellent fit for our City with its persistently strong rental housing market, increasing property tax revenues, and recently approved sales tax sharing measures with both our local school district (Measure J) and county (Measure H). Being able to provide long term affordable rental housing for our moderate income renter households is an important piece of our ongoing strategy to address the housing affordability crisis for all segments of our population who struggle with rapidly rising housing costs." **– William Huang, Housing Director, City of Pasadena.**

Looking Ahead to 2022

- Rising Interest Rates and Competition from Market Rate Institutional Purchasers Threaten the Program.
- Evaluating Incorporation of Credit Enhancement and Other Potential Funding Sources.
- New Construction Opportunities.

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QUESTIONS?

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

ANNUAL REGULAR MEETING AGENDA

January 6, 2022
9:00 AM or upon adjournment of the CSCDA CIA Meeting

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 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. 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
____ Tim Snellings, Vice Chair
____ Brian Moura, Secretary
____ Jordan Kaufman, Treasurer
____ Dan Mierzwa, Member
____ Brian Stiger, Member
____ Marcia Raines, Member
____ Niroop Srivatsa, Alt. Member
____ Matt Jennings, Alt. Member

2. Election of Officers.

3. Consideration of the minutes of the December 16, 2021 Regular Meeting.

4. Consent Calendar.

5. Public Comment.

B. AGENDA ITEMS

6. 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. Golden Pierce Housing Partners L.P. (Vista de la Sierra Apartments), City of Riverside, County of Riverside; issue up to $30,000,000 in multi-family housing revenue bonds.

b. Manthey Road Investments LLC (Fairfield Marriott), City of Lathrop, County of San Joaquin, issue up to $9,000,000 in commercial PACE bonds.

7. 2021 Review & 2022 Overview.

8. League of California Cities & California State Association of Counties Reports.

9. Consideration of dates for rescheduled 2022 CSCDA Annual Meeting.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.

11. Staff Updates.

12. Adjourn.

NEXT MEETING: Thursday, January 20, 2022 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

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

2. Consideration of membership renewal with the California Council for Affordable Housing (CCAH).

January 6, 2022

MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 16, 2021
2:00 pm

Commission Chair Kevin O'Rourke called the meeting to order at 2:00 pm.

1. Roll Call.

   Commission members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Jordan Kaufman, Dan Mierzwa, and Brian Stiger.

   Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Sendy Young, CSAC Finance Corporation; Norman Coppinger, League of California Cities; Trisha Ortiz, Richards Watson & Gershon; and Allison Burns, Stradling.

2. Consideration of the Minutes of the December 2, 2021 Meeting.

   The Commission approved the December 2, 2021 Regular Meeting.

   Motion to approve by B. Stiger. Second by D. Mierzwa. Unanimously approved by roll-call vote. B. Moura did not vote.

3. Consideration of the Consent Calendar.

   The Commission approved the 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 multifamily 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.

Motion to approve by D. Mierzwa. Second by T. Snellings. Unanimously approved by roll-call vote. B. Moura did not vote.

4. Public Comment.

   There was no public comment.

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

   a. Chinese Hospital Association, City & County of San Francisco, issue up to $103,000,000 in commercial PACE and nonprofit bonds.

   Executive Director Barna gave an overview of the project, and 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. 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. CSCDA's Executive Director recommended that the Commission adopt the resolution.

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

   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.

   Executive Director Barna gave an overview of the project, and the financing complies with CSCDA's general and issuance policies for unrated debt. Centennial Gardens Apartments is the new construction of a 160-unit rental housing project. 100% of the units will be rent restricted for very low and low-income residents. CSCDA's Executive Director recommended that the Commission adopt the resolution.

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

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)

   CSCDA Counsel reported that the Commission provided direction on the strategy that needs to be taken to proceed with the case.

7. Executive Director Update.

Executive Director Barna informed the Commission that due to the new variant, the Omicron, there might be on-site testing of COVID at the Annual Meeting. She reminded everyone to please bring their vaccine cards.

8. Staff Update.

   Staff had no updates.

9. Adjourn.

   The meeting was adjourned at 2:31 p.m.

   Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, January 6, 2021 at 9:00 a.m.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 4

Agenda Report

DATE: January 6, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consent Calendar

SUMMARY:

2. Consideration of membership renewal with the California Council for Affordable Housing (CCAH).

CCAH (California Council for Affordable Housing) is a tax-exempt nonprofit organization dedicated to facilitating the development and expansion of affordable housing in the State of California. CCAH devotes its resources to tracking relevant state and federal legislation, monitoring current housing development and finance programs, making recommendations on appropriate housing and programs, and keeping the CCAH membership informed about these matters. CCAH sponsors two annual statewide conferences and presents special seminars on a wide range of topics facing the affordable housing industry. The annual membership cost is $750.

RESOLUTION NO. _____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY RECONSIDERING THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY AND MAKING FINDINGS IN CONNECTION THEREWITH TO AUTHORIZE MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, the Commission of the California Statewide Communities Development Authority (CSCDA) is committed to preserving and nurturing public access and participation in its meetings while balancing the need to conduct public meetings in a manner that reduces the likelihood of exposure to COVID-19; and

WHEREAS, all meetings of CSCDA are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Commission conduct its business; and

WHEREAS, pursuant to Assembly Bill 361, signed by Governor Newsom and effective on September 16, 2021, legislative bodies of local agencies may hold public meetings via teleconferencing pursuant to Government Code Section 54953(e), without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, on March 4, 2020, Governor Newsom declared a declared a State of Emergency in response to the COVID-19 pandemic (the "Emergency").

WHEREAS, the Centers for Disease Control and Prevention continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time.

WHEREAS, due to the ongoing COVID-19 pandemic and the need to promote social distancing to reduce the likelihood of exposure to COVID-19, CSCDA determined that meetings of its legislative bodies may be held via teleconferencing pursuant to Government Code Section 54953(e).

WHEREAS, to continue meeting remotely pursuant to Government Code Section 54953(e), an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the

declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

NOW, THEREFORE, THE COMMISSION OF CSCDA DOES RESOLVE AS FOLLOWS:

1. The Recitals provided above are true and correct and are hereby incorporated by reference.
2. The Commission has reconsidered the circumstances of the COVID-19 state of emergency and the state of emergency continues to directly impact the ability of the members to meet safely in person.
3. The Commission hereby finds that CSCDA may conduct its meetings via teleconferencing pursuant to Government Code section 54953(e).
4. Staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this __th day of ___________, 2022, by the following vote:

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 6a

Agenda Report

DATE: January 6, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Vista de la Sierra Apartments

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

AMOUNT: Not to Exceed $30,000,000

EXECUTIVE SUMMARY:

Vista de la Sierra Apartments (the "Project") is the new construction of an 80-unit rental housing project located in the City of Riverside. 100% of the units will be rent restricted for very-low and low-income tenants.

PROJECT DESCRIPTION:

- Construction of an 80-unit affordable rental housing facility located at 11253 Pierce Street in the City of Riverside.
- Eight residential buildings located on a four-acre site.
- Consists of 40 one-bedroom, 20 two-bedroom, and 20 three-bedroom units.
- Property includes laundry facilities, a playground, computer center, and pool.

PROJECT ANALYSIS:

Background on Applicant:

National Community Renaissance (National CORE) is comprised of National Community Renaissance of California (NCRC), and Hope through Housing Foundation (HOPE), which provides on-site social services to all of National CORE's communities. National CORE was established in 1992 as a 501(c)(3) not-for-profit public benefit corporation and currently has over 8,000 rental units under ownership in four states, including more than 6,900 throughout the Southern California region. National CORE is the developer, owner, operator and services provider of all of its properties. National CORE currently employs in excess of 400 people. National CORE is a vertically integrated company with in-house construction, property management, asset management, compliance, accounting and social programs/services departments. National CORE has experienced staff capacity in development, construction management, property management, social services, and is a licensed general contractor. This "in-house" structure allows for strict quality control and cost-savings in all facets of its business. National CORE's philosophy is to not only develop and maintain high-quality affordable housing, but to go well beyond the bricks and mortar and create vibrant communities that are safe and nurturing environments for its residents. National CORE continues to own and manage all of its properties, thus ensuring long-term affordability as well as the maintenance of high-quality affordable communities. National CORE has financed 14 prior projects with CSCDA.

Public Agency Approvals:

TEFRA Hearing: November 16, 2021 – City of Riverside

CDLAC Approval: August 11, 2021

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
    - 60% (47 units) restricted to 30% or less of area median income households.
    - 9% (7 units) restricted to 50% or less of area median income households.
    - 31% (25 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:	$ 23,500,000
Taxable Bonds:	$ 15,000,000
City Loan:	$ 2,000,000
Tax Credit Equity:	$ 4,578,445
Deferred Costs:	$ 681,559
Total Sources:	$ 45,760,004
Uses of Funds:	
Land:	$ 5,147,948
Construction Costs:	$ 27,040,214
Architecture & Engineering:	$ 2,285,000
Capitalized Interest:	$ 2,678,171
Reserves:	$ 613,906
Developer Fee:	$ 5,114,832
Legal Fees:	$ 150,000
Soft Costs:	$ 2,729,933
Total Uses:	$ 45,760,004

Finance Partners:

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

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

Bond Purchaser: Bank of America, N.A.

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: January 31, 2022

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. 22H-__

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 $30,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT GENERALLY KNOWN AS VISTA DE LA SIERRA; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION 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 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, Golden Pierce Housing Partners L.P., a California limited partnership (or entities related thereto) (the "Borrower") has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note 2022 Series B in one or more series, which may be tax-exempt or taxable (collectively, the "Notes") to assist in financing the acquisition, construction and development of an 80-unit (including one manager unit) multifamily housing rental development to be located in the City of Riverside, California (the "City"), and known or to be known as Vista de La Sierra (the "Project");

WHEREAS, on August 11, 2021, the Authority received a private activity bond volume cap allocation in the amount of $23,500,000 (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 has authorized 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 Notes in an aggregate principal amount not to exceed $30,000,000, 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 Bank of America, N.A. (the "Funding Lender"), as the initial holder of the Notes in accordance with the Authority's private placement policies; 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 among the Funding Lender, Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent") and the Authority;

(2) Project Loan Agreement (the "Project Loan Agreement") to be entered into among the Authority, the Fiscal Agent and the Borrower; and

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

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

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 (Vista de la Sierra) 2022 Series B" with such additional series and subseries designations and other modifications or sub-series designations as shall be set forth in the Funding Loan Agreement, in an aggregate principal amount not to exceed $30,000,000; provided that the aggregate principal amount of any federally tax-exempt obligations 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 or redemption premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, respectively, 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 or any successor resolution) (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 dated 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 Project 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 Project 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 Notes 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 Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, 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, 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 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 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 the other documents approved herein.

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this January 6, 2022.

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 January 6, 2022.

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: Golden Pierce Housing Partners, LP

2. Authority Meeting Date: January 6, 2022

3. Name of Obligations: Vista de la Sierra Apartments

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): **2.30%**.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **$396,000**.

   (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: **$22,604,000**.

   (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): **$1,603,000.**

5. The good faith estimates provided above were __**X**_ 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: **December 27, 2021**

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 5b

Agenda Report

DATE:	January 6, 2022
TO:	CSCDA COMMISSIONERS
FROM:	Cathy Barna, Executive Director
PROJECT:	Manthey Road Investments, LLC
PURPOSE:	Authorize the issuance of commercial PACE bonds to finance energy efficiency improvements, water conservation improvements, seismic retrofit and safety improvements.
AMOUNT:	Not to Exceed $9,000,000

EXECUTIVE SUMMARY:

Manthey Road Investments, LLC, a California limited liability company (Manthey) is seeking PACE financing for costs and improvements associated with construction of a Fairfield Marriott hotel located at 17401 South Manthey Road, Lathrop 95330 (the "Project").

PROJECT ANALYSIS:

About the Project:

CSCDA will finance energy efficiency improvements, water conservation improvements, seismic retrofit and safety improvements and related scope, indirect and soft costs, for the Project. The financing will be taxable and be funded through a commercial Property Assessed Clean Energy (PACE) bond.

Public Agency Approval:

TEFRA approval is not required as the financing falls into the category of PACE and not tax-exempt private activity bonds. The City of Lathrop approved CSCDA levying assessments under PACE on December 4, 2017.

Sources and Uses:

Sources of Funds:	
Par Amount of Bonds:	$9,000,000
Total Sources:	$9,000,000

Use of Funds:

Improvements Fund:	$8,399,189
Capitalized Interest Fund:	$ 300,378
Costs of Issuance Fund:	$ 298,354
Administrative Expense Fund:	$ 2,079
Total Uses:	$9,000,000

Finance Partners:

PACE Counsel: Jones Hall, San Francisco, California

PACE Assessment Administrator: DTA Finance, Newport Beach, California

PACE Capital Provider: Congressional Bank, Chevy Chase, Maryland

Finance Terms:

Anticipated Rating: Unrated

Term: 30 years at a fixed interest rate

Structure: Private Placement

Estimated Closing: January 18, 2022

CSCDA Policy Compliance:

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

DOCUMENTS: https://www.dropbox.com/sh/5n2ixr2s5gykm4k/AACL4-1zhHN6OUfGlL-olfBRa?dl=0

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;

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

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


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Community Infrastructure
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Energy Solutions
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CSAC
California State Association of Counties

LEAGUE OF CALIFORNIA CITIES

2021 Annual Review
January 6, 2022

2021 Highlights

- $1,662,465,499 Total Bonds Issued (excluding PACE)

- $930,070,000 for 6 Nonprofit Projects
  - 1 Hospital Facility
  - 2 Continuing Care Retirement Communities
  - 1 Higher Education Institution
  - 2 Other Nonprofit Organizations

- $609,200,499 for 21 Multifamily Affordable Housing Projects
  - 2,122 Units Constructed or Rehabilitated and Preserved

2021 Highlights

- $36,915,000 for 3 Community Facility District (CFD) Financings
- $86,280,000 for 3 Statewide Community Infrastructure Program (SCIP) Pooled Financings
- 3 JPA Formations for City of Dublin, City of St. Helena and the West County Wastewater District

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

2021 Project Highlights

Montage Health
Monterey, CA

- **On 11/17/21 CSCDA Issued $132,780,000 in Tax-Exempt Bonds**
- **Montage Health's 6th Financing with CSCDA**
- **Bond Proceeds Financed:**

- The Construction of the Ohana Center, a new 55,600 square-foot child and adolescent behavioral health facility; and

- The refinancing of CSCDA's Prior Issued 2017 Bonds.

Gateway at Millbrae Apartments

➢ **On 3/31/21 CSCDA Issued $35,000,000 to Finance the New Construction of 80 Units of Affordable Housing in Millbrae**

- Units restricted to very-low- and low-income individuals and families earning less than 30%, 40%, 50% and 60% AMI for 55 Years.
- Part of mixed-use transit-oriented project located at Millbrae BART station, containing retail, dining, open spaces, dog park, pedestrian & bicycle pathways.

Property Assessed Clean Energy (PACE)

2021 Highlights

- Added 3 new Commercial PACE Providers:

- Closed 26 commercial PACE transactions with 10 different providers totaling $275.6 million. In 2020 closed 19 transactions with 6 providers totaling $191.5 million .
- Commercial sectors include healthcare, hospitality and industrial.

2021 Residential PACE Updates

- Residential PACE providers, via PACENation, adopted 22 new national consumer protection policies to be fully implemented by March 30, 2022.
  - Culmination of a year-long effort that included multiple conversations with consumer advocates, policy makers, civil rights organizations, and environmental and faith-based organizations.
- Approved and executed amendment with residential PACE providers establishing legal reserve fund, establishing annual reviews and clarify processes.
- Volume in residential PACE continues to decline by 30% year over year from $189 million in 2020 to $132 million in 2021.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Statewide Community Infrastructure Program (SCIP)

Over the past three (3) years, the California Statewide Communities Development Authority was the #2 issuer of negotiated land secured/special assessment bonds in California, bringing to market $346 million in total par and capturing 8.2% market share.

California Rankings: Issuer of Land Secured/Special Assessment Bond Financings *(Negotiated; 2019-2021)*

Rank	Issuer	Par Amount ($MM)	Mkt Share (%)	# of Issues
1	San Francisco City/Co-California	472.7	11.1%	9
2	California Statewide Communities Development Authority (CSCDA)	346.0	8.2	21
3	Orange Co (Irvine) USD	188.2	4.4	3
4	Roseville City-California	178.1	4.2	14
5	River Islands Public Fin Auth	138.1	3.3	4
6	Sacramento City-California	121.6	2.9	5
7	Ontario City-California	101.9	2.4	11
8	Riverside Co (Menifee) USD	96.0	2.3	9
9	Irvine City-California	93.0	2.2	2
10	California Municipal Fin Auth	83.4	2.0	8
	Total: Top 10	**$1,819.0**	**42.9%**	**86**
	Industry Total	**$4,243.0**	**100.0%**	

Source: Thomson Reuters

SCIP Financing Activity

- The Statewide Community Infrastructure Program had a successful year, financing 45 projects through six (6) series of bonds with a total par of $123.195 million
- Over $55.85 million of impact fees and $59.98 million of public improvements were financed, with 5,488 total residential units to be constructed
- 29 Local Agencies and 29 Developers participated in 2021
- Market conditions remain favorable for the issuance of land-secured bonds, providing an excellent financing mechanism for developers and local agencies

Sale Date	Issuer	Series	Par Amount	TIC	Description	Projects
2/10/2021	CSCDA	Series 2021	$9,265,000	3.33%	Stand Alone CFD (Sand Creek)	1
3/4/2021	CSCDA	Series 2021	$18,790,000	3.53%	Stand Alone CFD (Atwell IA-1)	1
4/22/2021	CSCDA	Series 2021A	$36,345,000	3.43%	SCIP Pooled Revenue	17
8/25/2021	CSCDA	Series 2021B	$21,255,000	3.25%	SCIP Pooled Revenue	12
11/10/2021	CSCDA	Series 2021	$8,860,000	3.43%	Stand Alone CFD (Meadowlands)	1
12/2/2021	CSCDA	Series 2021C	$28,680,000	4.00%[1]	SCIP Pooled Revenue	13
Total			**$123,195,000**		**6 Transactions**	**45**

1 Blended Tax-Exempt and Taxable yield.

Notable SCIP Achievements

- Pooled Reserve Fund (balance of $20.136 million securing $312.235 Million of Outstanding Bonds)
- 1st taxable SCIP Pooled Revenue Bond issuance ($6.95 million sold as a part of SCIP 2021C)

2021 CSCDA SCIP Pooled Financings

Statewide Communities Infrastructure Program Revenue Bonds				
Series	**2021A**	**2021B**	**2021C**	**Aggregate**
Par Amount	$36,345,000	$21,255,000	$28,680,000	$86,280,000
Sale Date	April 22, 2021	August 25, 2021	December 2, 2021	--
True Interest Cost ("TIC")	3.43%	3.25%	4.00% *(Tax-Exempt & Taxable Blended)*	--
Number of Projects	17	12	13	42
Impact Fees Funded	$26,167,754	$8,823,104	$20,864,599	$55,855,457
Public Improvements Funded	$8,513,070	$11,302,154	$4,908,919	$24,724,143
Number of Residential Units	1,735	1,191	1,475	4,401
Value-to-Lien Ratio	8.95x	8.04x	7.82x	--
Local Agency Participants	18	11	13	27
Number of Developers	14	12	10	26

Notable Development Projects

Chandler
Brentwood, CA

Saratoga Estates (Phase 2A 2B 2C & 3)
El Dorado County, CA

Gum Ranch (Unit 2)
Sacramento County, CA

Cerri (Units 1A & 2)
Manteca, CA

North Main Commons
Manteca, CA

Orchard 124
Yuba County, CA

Orchard Trails
Brentwood, CA

River Oaks (The Cove) Phase III
Sacramento, CA

Sweetwater Vistas
San Diego County, CA

Ogden Ranch (Phase II)
Sacramento County, CA

Top Local Agency Partners in 2021 *(by Par Amount)*

1st — **City of Banning**
$18.79MM (15.3%)

2nd — **City of Manteca**
$17.15MM (13.9%)

3rd — **City of Brentwood**
$10.586MM (8.6%)

4th — **City of Lincoln**
$10.56MM (8.6%)

5th — **City of Antioch**
$9.265MM (7.5%)

6th — **El Dorado Irrigation District**
$7.612MM (6.2%)

7th — **Sacramento County**
$6.108MM (5.0%)

8th — **City of Fairfield**
$4.282MM (3.5%)

9th — **City of Oakley**
$3.961MM (3.2%)

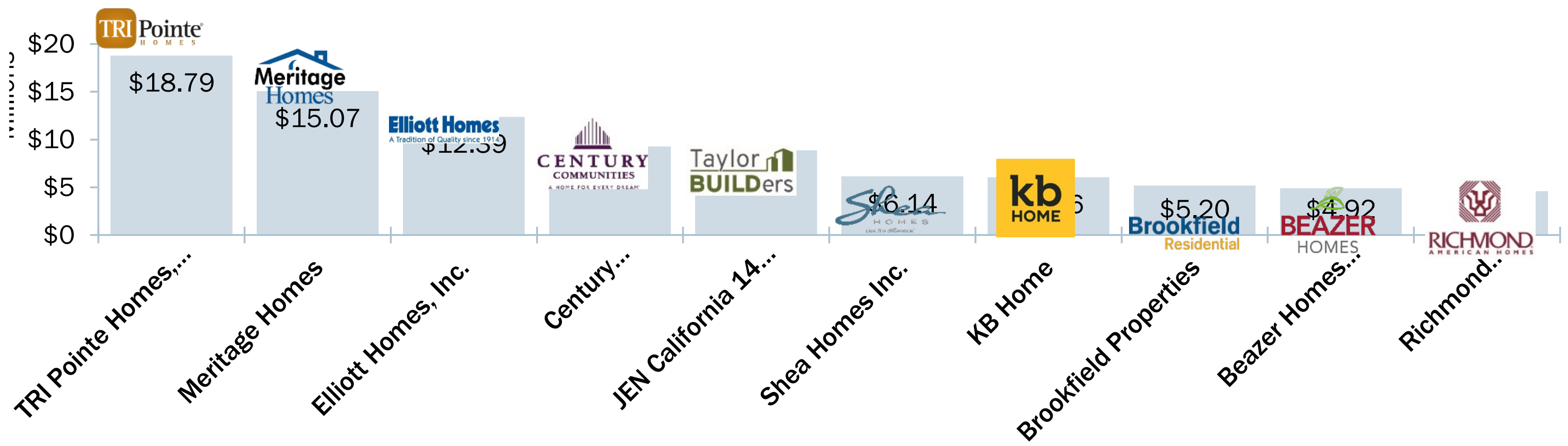
10th — **San Diego County**
$3.518MM (2.9%)

Over $115.8 Million of Fees and Public Improvements Financed

- 27 Local Agency Partners across three SCIP Issued Pooled Assessment District bond financings totaling $86.28 million in par amount
- 3 Local Agency Partners involved in three (3)) SCIP Issued Standalone CFD bond financings totaling $36.915 million in par amount

Top Land Developers

Top 10 Land Developers in 2021 *(by Par Amount; $ in millions)*



SCIP Participating Developers

Lennar – The Home of Everything's Included.
Woodside Homes – Better by Design
D.R. Horton – America's Builder
Elliott Homes – A Tradition of Quality since 1914
Pardee Homes – Where smart solutions live.
Brookfield Residential
Richmond American Homes
PulteGroup
Taylor Morrison – Homes Inspired by You
KB Home
Meritage Homes
Anthem United
Panattoni – International Vision. Local Focus.
FCB Homes
Buzz Oates
Farallon Capital Management, L.L.C.
K. Hovnanian Homes
Raymus Homes – The Next Generation
Nuvera Homes
Lewis Group Of Companies
Toll Brothers – America's Luxury Home Builder
SunCal
Tim Lewis Communities – Bringing five-star quality home
Discovery Homes
Silverado Homes
JMC Homes
Signature Homes
Cornerstone Communities

Looking Ahead to 2022

Pending SCIP Financing Activity

- The SCIP team is gearing up for the new year and has developed a solid pipeline
- At this time, we expect to finance at three (3) new money pooled assessment district bond series and 10 stand-alone district bond series over the course of 2022
- Provided below is the current list of projects that we expect will finance impact fees and improvements through SCIP in 2022:

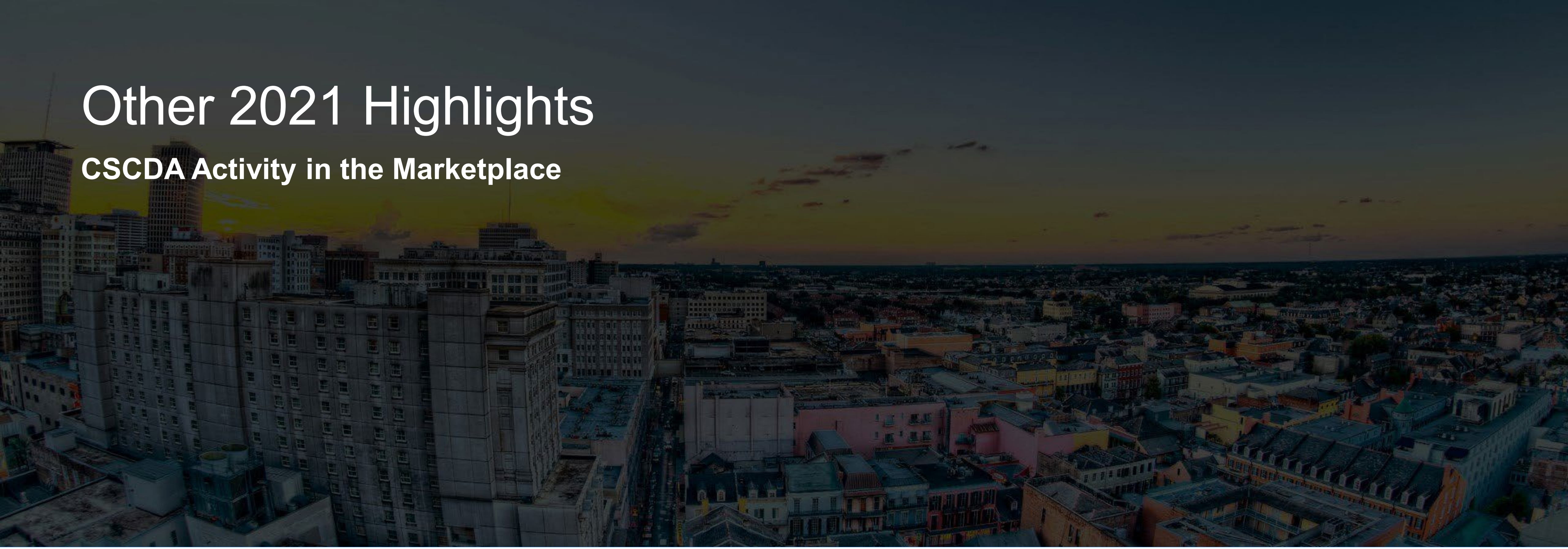
Pooled Revenue Bond Transactions

Approx. Sale Date*	Series	Est. Par*	Description	Projects*
April 2022	Series 2022A	$38,000,000	SCIP Pooled New Money Revenue Bond	To be Determined
August 2022	Series 2022B	$25,000,000	SCIP Pooled New Money Revenue Bond	To be Determined
November 2022	Series 2022C	$25,000,000	SCIP Pooled New Money Revenue Bond	To be Determined
			3 Transactions	

Stand-Alone Transactions

County	Local Agency	Developer(s)	Project Name	Est. Par*	District
San Bernardino	City of Hesperia	DMB Development	Tapestry	$8,250,000	AD
Sonoma	City of Rohnert Park	Brookfield Properties	University District	$11,000,000	CFD
San Diego	County of San Diego	Tri Pointe Homes, Inc.	Meadowood	$35,000,000	CFD
Contra Costa	Bethel Island MID	DMB Development	Delta Coves	$10,000,000	CFD
Napa	City of American Canyon	McGrath Properties	Watson Ranch	$4,000,000	CFD
Riverside	City of Banning	Tri Pointe Homes, Inc.	Atwell	$13,925,000	CFD
San Bernardino	Yucaipa Valley Water District	Oak Valley Development Co. JEN SoCAL 1, LLC Birthcher Development Plan B	Summerwind	$32,540,000	AD
San Diego	City of San Diego	Lennar	3 Roots	$21,620,000	AD
Orange	City of San Juan Capistrano	Landsea Homes	Tirador	$5,390,000	CFD
San Diego	County of San Diego	Tri Pointe Homes, Inc.	Citro	$15,000,000	CFD
			10 Transactions	**$156,725,000**	

* Preliminary and subject to change.



Other 2021 Highlights

CSCDA Activity in the Marketplace

1. No transactions were delayed in the continued COVID environment due to execution by the Commission, League, CSAC and Staff.
2. Continued focus on the “Gold Standard” brand recognition of CSCDA with its local government members and finance partners.
3. Launched new CSCDA website that is more streamlined and user-friendly.
4. Focus on solutions for local government including workforce housing, commercial PACE for economic development versus solely acting as a conduit issuer.

Questions?

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY