CSCDA
COMMUNITY IMPROVEMENT AUTHORITY

CSAC California State Association of Counties

League of California Cities

REGULAR MEETING AGENDA
February 17, 2022
2:00 p.m.

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.

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

2. Consideration of the Minutes of the February 3, 2022 Regular Meeting.

3. Public Comment.

4. Consideration of a resolution authorizing the acquisition and ownership of a multifamily rental housing facility (Towne at Glendale Apartments), City of Glendale, County of Los Angeles, and issue an amount not to exceed $140,000,000 in revenue bonds.

5. Consideration of amendment to CSCDA CIA fee schedule.

6. Executive Director Update.

7. Staff Updates.

8. Adjourn.

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MINUTES

REGULAR MEETING OF THE CSCDA COMMUNITY IMPROVEMENT AUTHORITY

February 3, 2022
2:00 p.m. or upon adjournment of the CSCDA Meeting

Commission Chair Tim Snellings called the meeting to order at 2:30 pm.

1. Roll Call.

   Commission members participating via teleconference: Tim Snellings, Brian Moura, Dan Mierzwa, Marcia Raines, and Brian Stiger.

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

2. Consideration the Minutes of the January 20, 2022 Regular Meeting.

   The Commission approved the Minutes of the January 20, 2022.

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

3. Consent Calendar

   The Commission approved the Consent Calendar.

   1. Ratify annual administrative fee for The Crescent Apartments.

   2. Reconsider the circumstances of the COVID-19 state of emergency and make findings in connection therewith to authorize meetings to be held via teleconferencing pursuant to Government Code Section 54953(e).

   3. Consideration of Second Amended and Restated Services Agreement with Bridge StrategicPartners.

   Motion to approve items 1 and 2 and continue item 3 by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote.

4. Public Comment.

   There was no public comment.

5. Executive Director Update.

   Executive Director Barna had no update.

6. Staff Update.

   Staff had no update.

7. Adjourn.

   The meeting was adjourned at 2:33 p.m.

   Submitted by: Sendy Young, CSAC Finance Corporation

CSCDA
COMMUNITY IMPROVEMENT
AUTHORITY

Agenda Item No. 4

Agenda Report

DATE: February 17, 2022

TO: CSCDA CIA BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PROJECT: Towne at Glendale Apartments

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

AMOUNT: Not to Exceed $140,000,000

EXECUTIVE SUMMARY:

On January 20, 2022, the Commission approved the acquisition and financing of a 126-unit rental housing project located in the City of Glendale known as Towne at Glendale Apartments (the "Project"). 100% of the units will be restricted to low and middle-income tenants. Similar to the impact on the recent bond pricing of The Crescent Apartments, continued volatility in the bond market has necessitated a few structure changes that require a revised resolution to be adopted by the Commission. These changes include the following:

- After consultation with the project's underwriting team, project sponsor, CSCDA CIA's Executive Director, and CSCDA CIA's staff, it is recommended that the CSCDA CIA Commission approve a $75,000 annual administrative fee for the Project.

- The revised resolution also provides the ability to sell mezzanine bonds that amortize first (which has been done on prior CSCDA-CIA projects) and/or utilizing convertible capital appreciation bonds for all (or some portion) of the senior bonds that would serve to improve credit metrics on the mezzanine bonds.

- No other changes are being proposed from the January 20, 2022 prior approval.

PROJECT DESCRIPTION:

- Acquisition of 126-unit rental housing project located at 1717 North Verdugo Road in the City of Glendale.
- Property built in 1966 and recently underwent major extensive renovations.
- One-bedroom, two-bedroom, three-bedroom and four-bedroom apartments.
- Amenities include 206 parking spots, fitness center, business center, theater room, game room, sundeck, pool and spa, children's play area, and an outdoor seating area with barbeque grills.

PROJECT ANALYSIS:

Background on Project Sponsor & Administrator:

BLVD Communities is an owner, operator, and developer of housing nationwide. Through various funding programs, including project-based Section 8 subsidies, Low Income Housing Tax Credits, local and federal programs, BLVD aims to provide, preserve and expand long term housing. BLVD and its principals have a proven track record of successfully owning and asset managing housing projects for over 30 years combined, consisting of more than $1.5 billion in properties across the country. Currently, BLVD's portfolio consists of approximately 6,000 units in 17 states, including fully affordable, mixed income and market rate properties. CSCDA has issued bonds for two prior affordable housing projects on behalf of BLVD and this is BLVD's second CIA workforce housing project.

Public Agency Approval:

Host Jurisdiction Approval: November 16, 2021 – City of Glendale & Glendale Housing Authority. This will be the City of Glendale's third workforce housing project through CSCDA CIA's program.

Public Benefits:

- 100% of the units will be rent restricted for the term of the bonds (approximately 30 years).
    - 20% of units restricted to 80% or less of area median income households.
    - 40% of units restricted to 100% or less of area median income households.
    - 40% of units restricted to 120% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, and other retail.
- 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:	
Tax-Exempt Bonds:	$ 96,760,000
Subordinate Bonds:	$ 2,000,000
Discount:	$ (1,003,200)
Total Sources:	$ 97,756,800
Uses of Funds:	
Acquisition:	$ 80,100,000
Operating Reserve:	$ 236,000
Coverage Reserve:	$ 1,140,000
Capital Reserve:	$ 3,250,000
Debt Service Reserve:	$ 5,700,000
Operating Account:	$ 157,000
Extraordinary Expense Reserve:	$ 500,000
Project Sponsor Fee:	$ 1,000,000
Deferred Payment Subordinate Bond Purchaser:	$ 2,000,000
Costs of Issuance:	$ 3,673,800
Total Uses:	$ 97,756,800

<u>Finance Partners</u>:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP
Underwriter:	Goldman Sachs Group, Inc.
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:	Approximately 35 years
Method of Sale:	Limited Public Offering
Estimated Closing:	February 28, 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:

CSCDA CIA's Executive Director recommends that the Board of Directors adopt the resolution, which:

1. Approves the acquisition of the Project and issuance of the bonds;
2. Approves the $75,0000 annual administrative fee;
3. Approves all necessary actions and documents in connection with the financing; and
4. 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 GLENDALE, CALIFORNIA AND THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $140,000,000 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 Glendale, 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 Essential Housing Senior Lien Revenue Bonds, Series 2022A (Towne-Glendale) (Social Bonds) (the "Series 2022A Bonds"), its CSCDA Community Improvement Authority Essential Housing Mezzanine Lien Revenue Bonds, Series 2022B (Towne-Glendale) (Social Bonds) (the "Series 2022B Bonds") and its CSCDA Community Improvement Authority Essential Housing Subordinate Lien Revenue Bonds, Series 2022C (Towne-Glendale) (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, BLVD Impact Housing, LLC (the "Project Administrator") will assign and the Authority will assume the rights and (with certain exceptions) responsibilities of that certain Agreement of Purchase and Sale and Escrow Instructions between the Project Administrator, as buyer, and Towne at Glendale Apartments, LLC, a Delaware limited liability company, as seller (the "Seller"), pursuant to an Assignment and Assumption of Agreement for Purchase and Sale (the "Assignment and Assumption Agreement"), by and between the Project Administrator, 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 $90,000,000 from a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds, and (ii) an upfront payment to the Project Administrator and the issuance and delivery to, or as directed by, the Project Administrator 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 Greystar California, Inc., 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, the Project Administrator is knowledgeable and experienced in managing affordable housing projects, and the Authority wishes to engage 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 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;

WHEREAS, pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Authority and Goldman Sachs & Co. LLC (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, the Project Administrator 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 Housing Authority of the City of Glendale (the "Housing Authority") pursuant to which the Authority will grant to the Housing Authority 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 Housing Authority 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 Bond Purchase Agreement;

(h) the Continuing Disclosure Agreement;

(i) the Public Benefit Agreement;

(j) the Limited Offering Memorandum;

(k) the Guaranty Agreement; and

(12) the Social Bond Framework.

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 Essential Housing Senior Lien Revenue Bonds, Series 2022A (Towne-Glendale) (Social Bonds)," the "CSCDA Community Improvement Authority Essential Housing Mezzanine Lien Revenue Bonds, Series 2022B (Towne-Glendale) (Social Bonds)," and the "CSCDA Community Improvement Authority Essential Housing Subordinate Lien Revenue Bonds, Series 2022C (Towne-Glendale)" including, if and to the extent necessary, one or more series or sub-series, taxable or tax-exempt, which may be current interest bonds and/or capital appreciation bonds, with appropriate modifications and series and sub-series designations as necessary, in an initial aggregate principal amount not to exceed $140,000,000. 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 any 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 any 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 or accreted value 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 of each series, accreted value table or tables if and as applicable to any series, 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, current interest bonds or capital appreciation bonds, 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 $90,000,000 from a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds, and (ii) an upfront payment to the Project Administrator and the issuance and delivery to, or as directed by, the Project Administrator 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, including such changes as such Authorized Signatory deems necessary, with the advice of counsel to the Authority, provided that any fee or discount to the Underwriter not exceed 2% of the aggregate initial principal amount of the Bonds.

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 Housing Authority or 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. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

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 Housing Authority as hereinabove recited.

PASSED AND ADOPTED on the 17th day of February, 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 February 17, 2022.

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

____
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): 5.034883%

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): $3,683,650

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): $81,242,150

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): $218,373,730

*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)

COMMUNITY IMPROVEMENT AUTHORITY

Agenda Item No. 6

Agenda Report

DATE: February 17, 2022

TO: CSCDA CIA BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of Amendment to CSCDA CIA Fee Schedule

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EXECUTIVE SUMMARY:

Staff periodically reviews fee schedules for all programs maintained by CSCDA and its affiliates. Based on discussions with staff and CIA's finance team members, we recommend a cap in issuance fees on CIA transactions. Fees would be capped and charged only for the first $200 million of bonds issued. This will enable to CSCDA CIA to accommodate larger transactions. Similar fee caps have been adjusted on other program fee schedules including nonprofit and PACE financings.

CSCDA CIA's Executive Director and staff will continue to evaluate CSCDA's and CSCDA affiliate's fee schedules and may recommend additional fee adjustments.

RECOMMENDED ACTION:

CSCDA CIA's Executive Director recommends approval of an issuance fee cap for CSCDA-CIA transactions; issuance fees will be capped and charged on the first $200 million of CSCDA CIA bonds issued.

MEETING AGENDA

February 17, 2022
2:00 PM or upon adjournment of the CSCDA CIA 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.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

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

2. Consideration of the Minutes of the February 3, 2022 Meeting.

3. Public Comment.

B. ITEMS FOR CONSIDERATION

4. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:

   a. Approve the making of up to $11,000,000 in qualified low-income community investments by CSCDC 15 LLC to Shasta College Community Leadership Center Holding Corporation (Shasta College Community Leadership Center), City of Redding, County of Shasta, California.

C. ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

5. Executive Director Update.

6. Staff Updates.

7. Adjourn.

MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

February 3, 2022
2:00 p.m. or upon adjournment of the CSCDA Meeting

Commission Chair Tim Snellings called the meeting to order at 2:33 pm.

1. Roll Call.

   Commission members participating via teleconference: Tim Snellings, Brian Moura, Dan Mierzwa, Marcia Raines, and Brian Stiger.

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

2. Consideration the Minutes of the January 6, 2022 Regular Meeting.

   The Commission approved the Minutes of the January 6, 2022.

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

3. Consent Calendar

   The Commission approved the Consent Calendar.

   1. Reconsider the circumstances of the COVID-19 state of emergency and make findings in connection therewith to authorize meetings to be held via teleconferencing pursuant to Government Code Section 54953(e).

   2. Consideration of Second Amended and Restated Services Agreement with Bridge Strategic Partners.

   Motion to approve item 1 and continue item 2 by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote.

4. Public Comment.

   There was no public comment.

5. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:

   a. Approve the making of up to $11,000,000 in qualified low-income community investments by CSCDC 14 LLC to Elica Support Corp II (Elica Health Centers), unincorporated County of Sacramento, California.

   Executive Director Barna gave an overview of the project. CSCDC's Advisory Board unanimously recommended approval of the project on September 29, 2021. The NMTC financing will allow Elica to renovate its existing 8,120 SF Arden Arcade clinic, and also acquire and renovate an adjacent 19,800 SF office building. Elica's Arden Arcade campus will also include a 3,600 SF pharmacy for Elica patients and local community residents. CSCDA's Executive Director recommended approval of the resolution.

   Motion to approve by B. Moura. Second by M. Raines. 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 2:41 p.m.

   Submitted by: Sendy Young, CSAC Finance Corporation

Agenda Item 4a

Agenda Report

DATE: February 17, 2022

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PURPOSE: Approve the Making of $11,000,000 in Qualified Low Income Community Investments by CSCDC 15 LLC Shasta College Community Leadership Center Holding Corporation (Shasta College Community Leadership Center), City of Redding, County of Shasta, California

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SPONSOR BACKGROUND:

Shasta College is a public community college based in Redding, California. The College is part of the Shasta-Tehama-Trinity Joint Community College District, which serves residents in Shasta, Tehama, and Trinity Counties, and parts of Lassen, Modoc, and Humboldt Counties. Shasta College offers general education, transfer and career-technical programs, and basic skills education.

Shasta College serves 9,105 students, 36% of whom are full-time. The College has an outstanding track record of providing innovative programs and wraparound services to support the long-term success of low-income students and students with barriers to education and employment. The College has won the highly selective Innovation in Higher Education award three times for programs that help students succeed in completing their certificate, degree, or transfer to a university.

PROJECT OVERVIEW:

Shasta College has requested that CSCDC provide $11,000,000 in New Markets Tax Credit (NMTC) for the development of the new 22,500 sq. ft. Shasta College Community Leadership Center ("CLC" or the "Project"). Located in downtown Redding, the CLC will serve as a hub for Shasta College programs that support low-income students and students with barriers to education and employment, including students who are current or former foster youth, and formerly incarcerated students. The CLC will occupy floors 2-4 and a portion of the fifth floor of a newly constructed five-story building.

The CLC is a key component of the Block 7 Downtown Activation Project, a multi-site, mixed-use project that replaces an aging parking garage and vacant shopping mall in the heart of downtown Redding. The Block 7 project spans three blocks and also includes a 78-unit affordable apartment building (with bond financing previously provided by CSCDA), market-rate housing, a public park, offices, retail, a pedestrian-activated alley, and 2+ miles of bikeways. The project developer is Block 7 Retail Investors LLC, comprised of K2 Development Companies (a Redding-based, family-owned community developer with a 15-year track record of development in Redding), and the McConnell Foundation (a private foundation with a 30-year track record of transformational projects in northern California).

COMMUNITY OUTCOMES:

- Job Creation & Retention: The Project is expected to result in 42 construction jobs, 56 new permanent FTE jobs, and the retention of 39 FTE jobs.

- Quality Jobs: It is expected that 100% of the construction jobs will pay prevailing wages and 100% of the permanent jobs will pay living wages. All of the permanent jobs will offer health and dental insurance, life insurance, retirement benefits, and public loan forgiveness.

- Accessible Jobs: 100% of the construction field jobs will be available to individuals at any education level. An onsite job training program in partnership with California Heritage YouthBuild Academy will offer construction job training and pre-apprenticeships for students ages 16-24 who need a second chance. 30% of the permanent FTE jobs are expected to be available to people with a high school diploma or less.

- Community Goods or Services to Low-Income Communities: 7,100 people are expected to benefit annually from Shasta CLC programs and services. The CLC will house several programs that support low-income students experiencing barriers to education and employment, such as:
    - Shasta College CalWORKs Program – supporting very low-income parents that are attending Shasta College.
    - Step-Up program – educational and vocational training program providing financial, administrative, and educational support for formerly incarcerated students and students currently under court directed supervision.
    - SCI*FI (Shasta College Inspiring and Fostering Independence) program – for Shasta College students who are current or former foster youth.
    - The CLC will also serve as a hub for community education, providing personal enrichment and professional development classes for community members.

ADVISORY BOARD APPROVAL:

On September 29, 2021, CSCDC's Advisory Board unanimously recommended approval of the Project.

FINANCE TEAM:

- Tax Credit Investor: PNC Bank
- Investor Counsel: Kutak Rock, LLP, Omaha, NE
- CSCDC Counsel: Applegate & Thorne-Thomsen, Chicago, IL

ESTIMATED SOURCES AND USES:

Shasta College				
Sources			**Uses**	
New Bond Proceeds	$11,684,456		Leverage Loan	$10,153,900
Return of Prior Incurred Costs	$6,096,826		Cash Contribution to QALICB	$7,627,382
Total	**$17,781,282**		**Total**	**$17,781,282**

Investment Fund				
Sources			**Uses**	
Leverage Loan	$10,153,900		CSCDC QEI	$11,000,000
NMTC Equity	$3,896,100		CSCDC Upfront Fee	$550,000
			PNC QEI	$2,500,000
Total	**$14,050,000**		**Total**	**$14,050,000**

CSCDC 15 LLC				
Sources			**Uses**	
CSCDC QEI	$11,000,000		QLICI A	$8,375,400
			QLICI B	$2,624,600
Total	**$11,000,000**		**Total**	**$11,000,000**

PNC CDE 134, LLC				
Sources			**Uses**	
PNC QEI	$2,500,000		QLICI A	$1,778,500
			QLICI B	$721,500
Total	**$2,500,000**		**Total**	**$2,500,000**

QALICB				
Sources			**Uses**	
CSCDC QLICI A	$8,375,400		Acquisition	$0
CSCDC QLICI B	$2,624,600		Hard Costs	$20,019,000
PNC QLICI A	$1,778,500		Soft Costs	$295,382
PNC QLICI B	$721,500		NMTC Costs	$813,000
Sponsor Contribution	$7,627,382			
Total	**$21,127,382**		**Total**	**$21,127,382**

DOCUMENTS:

1. Resolutions (Attachment A)

ACTIONS RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approve the financing of the Project;

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

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

ATTACHMENT A

RESOLUTION OF THE BOARD OF DIRECTORS OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION (Shasta)

At a meeting duly called on February 17, 2022, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the "Allocatee"), for itself and in its capacity as managing member the Sub-CDE (defined below), does hereby adopt the following resolutions:

WHEREAS, the Allocatee and CSCDC 15 LLC, a California limited liability company ("Sub-CDE"), were organized for the purpose of participating in the federal New Markets Tax Credit ("NMTC") program, designed by Congress to encourage investment in (i) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (ii) businesses and nonprofits active in low-income communities; and (iii) the provision of technical assistance and other services to businesses active in low-income communities; and

WHEREAS, by law, NMTC investments must be made through a qualified community development entity (a "CDE"), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and

WHEREAS, Allocatee was certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a CDE, and Allocatee submitted an Eighteenth Round (2020) New Markets Tax Credit Allocation Application (the "Application"); and

WHEREAS, Sub-CDE was certified by the CDFI Fund as a subsidiary CDE of Allocatee; and

WHEREAS, Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of $55,000,000 of NMTC authority (the "Allocation") in connection with its Application; and

WHEREAS, Allocatee, as managing member, and CSCDC Manager, LLC, a Delaware limited liability company, as the non-managing member (the "Withdrawing Member"), entered into that certain operating agreement of Sub-CDE dated December 15, 2016 (the "Initial Sub-CDE Operating Agreement") to govern Sub-CDE; and

WHEREAS, pursuant to that certain Sub-Allocation Agreement dated [________], 2022, Allocatee sub-allocated a portion of the Allocation in an amount equal to $11,000,000 to Sub-CDE; and

WHEREAS, on or about the date hereof, Withdrawing Member withdrew as a member of Sub-CDE, Allocatee admitted Shasta College CLC Investment Fund, LLC, a Delaware limited liability company (the "Investor Member") as the 99.99% member of Sub-CDE, and the Investor Member and Allocatee amended and restated the Initial Sub-CDE Operating Agreement in its entirety (as amended and restated, the "A&R Sub-CDE Operating Agreement") pursuant to which Investor Member made an equity investment in the Sub-CDE in the amount of $11,000,000 (the "Initial CDE Investment"); and

WHEREAS, the Initial CDE Investment has been designated as a "qualified equity investment" as such term is defined in Section 45D of the Code ("QEI"); and

WHEREAS, in accordance with the A&R Sub-CDE Operating Agreement, Sub-CDE will use substantially all of the QEI proceeds to make one or more loans to Shasta College Community Leadership Center Holding Corporation, a California nonprofit public benefit corporation (the "QALICB") in the aggregate original principal amount of up to $11,000,000 (collectively, the "CDE Loan"); and

WHEREAS, the CDE Loan is expected to constitute a "qualified low-income community investment" (as defined in Section 45D of the Code and the Treasury Regulations and Guidance) for purposes of the NMTC program which have flexible, non-conventional, or non-conforming terms and conditions; and

WHEREAS, it is the intention of the Board that Allocatee enter into certain transaction documents, for itself or in its capacity as the managing member of Sub-CDE, in connection with the above described transactions and QEIs that are necessary to evidence and govern such transactions, including, but not limited to the agreements set forth on Exhibit A attached hereto and made a part hereof (collectively, the "Transaction Documents").

NOW, THEREFORE, BE IT

RESOLVED, that each of the Transaction Documents and the transactions contemplated thereby are hereby approved, ratified and confirmed in all respects;

RESOLVED, that each of the following individuals (each an "Authorized Signatory") be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform any Transaction Document for or in the name of Allocatee and on behalf of Allocatee as managing member of Sub-CDE, and with such changes, variations, omissions and insertions as they shall approve, the execution and delivery thereof by them to constitute conclusive evidence of such approval: Norman Coppinger, Catherine Barna, Jon Penkower and James Hamill; and be it further

RESOLVED, that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other affidavits, certificates, agreements, instruments and documents, to pay all fees, charges and expenses, and to do or cause to be done all other acts and things which are required or provided for under the terms of the Transaction Documents or which may be necessary or, in his or her or their opinion, desirable and proper in order to effect the purposes of the foregoing resolution and to cause compliance by Allocatee or Sub-CDE, as the case may be, with all of the terms, covenants and conditions of the Transaction Documents on the part of Allocatee or Sub-CDE, as the case may be, to be performed or observed; and be it further;

RESOLVED, that any and all documents, instruments and other writings previously executed and delivered or acts performed by the Authorized Signatories, in the name and on behalf of Allocatee or Sub-CDE, as the case may be, in connection with the transactions, be, and the same hereby are, consented to in all respects and are hereby ratified, confirmed and approved;

RESOLVED, that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other documents approved by the Board and to do or cause to be done all other acts and things which may be necessary in the ordinary course of the business of Allocatee and/or Sub-CDE; and be it further;

RESOLVED, that these resolutions may be executed in counterparts, including by signature pages provided by facsimile or in PDF format, which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Board of Directors of Allocatee have executed and adopted these Resolutions at its meeting duly called and held on February 17, 2022, at which a quorum of the Board of Directors was present or represented.

____

By:______________________________

Title:____________________________

<u>EXHIBIT A</u>

<u>Transaction Documents</u>

1. CDE Indemnification Agreement, by Allocatee for the benefit of PNC New Markets Investment Partners, LLC, a Delaware limited liability company

2. A&R Sub-CDE Operating Agreement

3. New Markets Fee and Expense Agreement, by and among QALICB, the Allocatee, Sub-CDE, and Shasta-Tehama-Trinity Joint Community College District, a State of California Community College District and public agency ("<u>Sponsor</u>")

4. Fund Sponsor Fee Agreement made by and among Investor Member, Allocatee, Sub-CDE

5. Sub-Allocation Agreement and between Allocatee and Sub-CDE

5. Loan Agreement, by and among Sub-CDE, PNC CDE 134, LLC, a Delaware limited liability Company ("<u>PNC CDE</u>"), and QALICB

6. Community Benefits Agreement, by and among Sponsor, QALICB, Sub-CDE, and PNC CDE

7. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by Sub-CDE and Allocatee

8. Account Pledge and Control Agreement by and among Sub-CDE, QALICB, and certain other lenders and/or account holders

9. Construction Monitoring and Disbursement Agreement by and among QALICB, Sub-CDE, PNC CDE, and PNC Bank, National Association

Other related documents.

REGULAR MEETING AGENDA
February 17, 2022
2:00 PM or upon adjournment of the CSCDC 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.

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

2. Consideration of the minutes of the February 3, 2022 Regular Meeting.

3. Consent Calendar.

4. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

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

   a. HPD Clearlake II LP (Clearlake Apartments), City of Clearlake, County of Lake; issue up to $10,000,000 in multi-family housing revenue bonds.

   b. HPD Valley Terrace II LP (Valley Terrace Apartments), City of Corning, County of Tehama; issue up to $8,000,000 in multi-family housing revenue bonds.

6. Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) Assessment Districts for Series 2022A or a future bond issuance:

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

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

7. Consideration of sponsorship of the Local Government Summer Institute at Stanford University.

8. Consideration of amendment to Amended and Restated Services Agreement with Bridge Strategic Partners.

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

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.

11. Staff Updates.

12. Adjourn.

NEXT MEETING: Thursday, March 3, 2022 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of Pomona Housing Development, LP (East End Village), City of Pomona, County of Los Angeles; issue up to $50 million in multi-family housing revenue bonds.

2. Inducement of A0592 Oxnard, L.P. (Las Cortes Apartments Phase 2), City of Oxnard, County of Ventura; issue up to $50 million in multi-family housing revenue bonds.

3. Ratify the amendment of a regulatory agreement and declaration of restrictive covenants in accordance with prior authorization granted by the Authority for Vista Del Monte Apartments.

February 17, 2022

MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

February 3, 2022 at 2:00 PM

Commission Chair Tim Snellings called the meeting to order at 2:18 pm.

1. Roll Call.

   Commission members participating via teleconference: Tim Snellings, Brian Moura, Dan Mierzwa, Marcia Raines, and Brian Stiger.

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

2. Consideration of the Minutes of the January 20, 2022 Meeting.

   The Commission approved the January 20, 2022 Regular Meeting.

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

3. Consideration of the Consent Calendar.

   The Commission approved the Consent Calendar.

   1. Inducement of National Community Renaissance of California (Murrieta Apartments Phase I), City of Murrieta, County of Riverside; issue up to $15 million in multi-family housing revenue bonds.

   2. Consideration of agreement with DTA Finance for assessment administration services associated with Congressional Bank.

   3. Consideration of Community HousingWorks Dreambuilder sponsorship.

4. Reconsider the circumstances of the COVID-19 state of emergency and make findings in connection therewith to authorize meetings to be held via teleconferencing pursuant to Government Code Section 54953(e).

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

4. Public Comment.

There was no public comment.

5. Consider the following resolutions to initiate proceedings to form CFD No. 2022-01 (Tirador), City of San Juan Capistrano, County of Orange:

a. Resolution approving joint community facilities agreements and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2022-01 (Tirador), City of San Juan Capistrano, County of Orange, State of California, and to levy special taxes therein to finance certain public improvements and certain development impact fees.

b. Resolution to incur bonded indebtedness to finance certain public improvements within California Statewide Communities Development Authority Community Facilities District No. 2022-01 (Tirador), City of San Juan Capistrano, County of Orange, State of California and calling for a public hearing.

This item was postponed to a later date.

6. Consider the following resolutions to initiate proceedings to form CFD No. 2022-02 (Point Martin), City of Daly City, County of San Mateo:

a. Resolution approving joint community facilities agreements and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2022-02 (Point Martin), City of Daly City, County of San Mateo, State of California, and to levy special taxes therein to finance certain public improvements and certain development impact fees.

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

b. Resolution to incur bonded indebtedness to finance certain public improvements within California Statewide Communities Development Authority Community Facilities District No. 2022-02 (Point Martin), City of Daly City, County of San Mateo, State of California and calling for a public hearing.

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

7. Consider a resolution of consideration to amend the rate and method of apportionment for California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California and related matters.

CSCDA's Executive Director recommended approval of the resolution of consideration to amend the rate and method of apportionment for California Statewide Communities Development Authority Community Facilities District No. 2016-01, County of Napa, State of California and related matters, and set the public hearing from March 17, 2022.

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

8. Consideration of a Joint Exercises of Powers Agreement between CSCDA and the El Toro Water District.

   Executive Director Barna reported that the El Toro Water District has requested that CSCDA enter into a new joint exercise of powers agreement to assist with the financing of capital improvement projects for the District. CSCDA's Executive Director recommended that the Commission approve the resolution to authorize CSCDA to enter into the joint exercise of powers agreement by and between CSCDA and the El Toro Water District.

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

9. Consideration of a resolution approving an increased principal amount not-to-exceed $700,000 of outstanding commercial PACE bonds for Santee Senior Retirement Communities LLC (Lantern Crest Senior Living), City of Santee, County of San Diego California.

   CSCDA's Executive Director recommended that the Commission adopt the resolution approving an increased principal amount not-to-exceed $700,000 of outstanding commercial PACE bonds for Santee Senior Retirement Communities LLC.

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

10. Consideration of Second Amended and Restated Services Agreement with Bridge Strategic Partners.

    This item was postponed to a later date.

11. Executive Director Update.

    Executive Director Barna reported that various Commissioners and staff members were attending various conferences and meetings on behalf of CSCDA.

12. Staff Update.

    Staff had no updates.

13. Adjourn.

    The meeting was adjourned at 2:30 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, February 17, 2022 at 2:00 p.m.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 3

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consent Calendar

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3. Ratify the amendment of a regulatory agreement and declaration of restrictive covenants in accordance with prior authorization granted by the Authority for Vista Del Monte Apartments.

Vista Del Monte Affordable Housing Inc. ("Vista") is the general partner of Vista Del Monte Housing, L.P. (the "Partnership"), which owns a multifamily affordable housing project located in San Francisco (the "Project"). The Project is located on land that the Partnership originally ground leased from Vista (the "Land"). The Project consists of improvements that were funded in part with proceeds of bonds issued by CSCDA ("Bonds") and is subject to a recorded bond regulatory agreement that imposes affordability restrictions on the Project (the "Regulatory Agreement"); Bond proceeds were not spent on the Land.

The Land was subsequently subdivided into two lots, the Project site and an unimproved parcel (the "Unimproved Lot"). In connection with a refinancing of the Project by the Partnership in 2021 (the "Refinancing"), the outstanding Bonds were repaid, the ground lease was terminated, and Vista conveyed the Project site to the Partnership. Additionally, the Regulatory Agreement was amended at the Refinancing to encumber only the Project site and to release the Unimproved Lot and further approve a shoring and tieback agreement associated with the development of the Unimproved Lot.

The Unimproved Lot is under contract to be sold to an affiliate of Emerald Fund ("Buyer"). Buyer has asked Seller to obtain confirmation from CSCDA that CSCDA's execution of the amendment to the Regulatory Agreement and the release of the Unimproved Lot thereby were authorized actions before Buyer acquires the Unimproved Lot for the development of a new housing project, which project was approved by the San Francisco Planning Commission earlier this month.

CSCDA's Executive Director recommends approving the resolution to ratify the amendment of a regulatory agreement and declaration of restrictive covenants in accordance with the prior authorization granted by CSCDA for Vista Del Monte Apartments.

Link to Resolution:

https://www.dropbox.com/scl/fi/3hmfhppf2cvitrgk13nkm/Ratifying-Resolution-Vista-del-Monte-4148-3959-7620-v.1.doc?dl=0&rlkey=i4u8b0v59h4iq3q1qc2488w8c

RESOLUTION NO. 22H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this February 17, 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 said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on February 17, 2022.

By: ____________________________________
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
East End Village	City of Pomona, County of Los Angeles	125	New Construction	Pomona Housing Development, LP	$50,000,000
Las Cortes Apartments Phase 2	City of Oxnard, County of Ventura	107	New Construction	A0592 Oxnard, L.P.	$50,000,000

Agenda Item No. 5a

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Clearlake Apartments

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

AMOUNT: Not to Exceed $10,000,000

EXECUTIVE SUMMARY:

Clearlake Apartments (the "Project") is the acquisition and rehabilitation of 72 units of rental housing located in the City of Clearlake. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 72-unit affordable rental housing facility located at 7145 Old Highway 53 in the City of Clearlake.
- Five two-story residential buildings, community room, and laundry rooms.
- Consists of 32 one-bedroom, 36 two-bedroom units, 4 three-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Highland Property Development ("Highland"), specializes in the acquisition and development of multi-family affordable housing. Highland focuses efforts toward revitalizing existing rental properties at risk of conversion to market rate housing, minimizing long-term maintenance and operating costs, improving energy efficiency, all while implementing upgrades specifically targeted toward improving community and lifestyle for its residents. Highland manages each stage of the development process – from acquisition of each property, procurement of debt and equity financing, the construction and rehabilitation phases, attainment of stabilized operations, and long-term asset management.

Since its inception in 2003, Highland and its principals have successfully acquired and redeveloped nearly 3,500 residential units contained within 55 multifamily properties located throughout California and Texas. The majority of these developments have involved substantial renovation of existing, government-subsidized housing. Highland structures and finances these developments through a combination of federal low-income housing tax credits (LIHTC), tax-exempt bond financing, federal and local governmental loans, privately placed debt, and rental subsidy programs. CSCDA has financed more than 10 prior Highland projects.

Public Agency Approval:

TEFRA Hearing: October 21, 2021 – City of Clearlake

CDLAC Approval: August 11, 2021

Public Benefits:

- 100% of the total units will be rent restricted for 55 years.
    - 11% (8 units) of the affordable units restricted to 30% or less of area median income households.
    - 11% (8 units) of the affordable units restricted to 50% or less of area median income households.
    - 78% (55 units) of the affordable units restricted to 60% or less of area median income households.
    - One manager unit.

Sources and Uses:

Sources of Funds:	
Tax-Exempt Bonds:	$ 5,185,000
USDA Loan:	$ 1,660,000
Net Operating Income:	$ 127,033
Tax Credit Equity:	$ 2,540,800
Deferred Developer Fee:	$ 1,012,777
Total Sources:	$10,525,610
Uses of Funds:	
Acquisition:	$ 3,000,000
Construction Costs:	$ 5,425,920
Architecture & Engineering:	$ 76,000
Relocation:	$ 50,000
Capitalized Interest/Fees:	$ 338,567
Reserves:	$ 354,400
Developer Fee:	$ 1,012,777
Costs of Issuance:	$ 119,500
Soft Costs:	$ 148,446
Total Uses:	$10,525,610

Finance Partners:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser:	JP Morgan Chase Bank, N.A.

Finance Terms:

Rating:	Unrated
Term:	35 years
Method of Sale:	Private Placement
Estimated Closing:	February 28, 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 ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $10,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS CLEARLAKE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

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

WHEREAS, HPD Clearlake II LP, a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority issue, sell and deliver its (i) California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Clearlake Apartments) 2022 Series C (the "Tax-Exempt Bonds") and (ii) California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Clearlake Apartments) Taxable 2022 Series C-T (the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") to assist in the financing of the acquisition, rehabilitation, development and equipping of a 72-unit (including one manager's unit) multifamily rental housing development located in the City of Clearlake, California, and to be generally known as Clearlake Apartments (the "Project");

WHEREAS, on August 11, 2021 the Authority received an allocation in the amount of $5,185,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Clearlake is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed $10,000,000 aggregate principal amount of Bonds, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with JPMorgan Chase Bank, N.A. (the "Bank"), as the initial purchaser of the Bonds, in accordance with the Authority's private placement policy;

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 hereto;

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

(1) Master Agency Agreement (the "Agency Agreement") to be entered into between the Authority and the Bank, as agent (the "Agent");

(2) Master Pledge and Assignment (the "Pledge Agreement") to be entered into among the Authority, the Agent and the Bank, as bondholder; 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 Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Clearlake Apartments) 2022 Series C", including, if and to the extent necessary, the Tax-Exempt Bonds in one or more sub-series and the Taxable Bonds in one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $10,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and 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 Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds 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 Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance 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 redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

SECTION 4. The Agency 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 Agency 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 sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

SECTION 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

SECTION 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsements and such other documents as described in the Pledge Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this February 17, 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 February 17, 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: HPD CLEARLAKE II LP, a California limited partnership

2. Authority Meeting Date: February 17, 2022

3. Name of Obligations: California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Clearlake Apartments) 2022 Series C and California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Clearlake Apartments) Taxable 2022 Series C-T

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):

   (i) One Month Adjusted Term SOFR + 1.35% for the tax-exempt Obligations, and (ii) One Month Adjusted Term SOFR + 2.05% for the taxable Obligations [NOTE: as a construction-only loan, there are no principal payments to be discounted to the purchase price received for the Obligations, so the foregoing represents the construction term interest rate applicable to the Obligations].

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

   $73,000.00 payable to the Bond Purchaser and $15,000.00 in the aggregate payable to the Authority over the life of the Obligations.

   (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:

$7,011,158.00 (calculated as $7,300,000.00 in total sale proceeds minus $88,000.00 in aggregate finance charges minus $200,842.00 in capitalized interest reserve).

(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):

$7,588,842.00 (calculated as $7,500,842.00 in total debt service plus $88,000.00 in aggregate finance charges not paid with the proceeds of the Obligations).

5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, **X** presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: February 14, 2022

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 5b

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Valley Terrace Apartments

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

AMOUNT: Not to Exceed $8,000,000

EXECUTIVE SUMMARY:

Valley Terrace Apartments (the "Project") is the acquisition and rehabilitation of 48 units of rental housing located in the City of Corning. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 48-unit affordable rental housing facility located at 892 Toomes Street in the City of Corning.
- Five two-story residential buildings, community room, and laundry rooms.
- Consists of 20 one-bedroom, 24 two-bedroom units, 4 three-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Highland Property Development ("Highland"), specializes in the acquisition and development of multi-family affordable housing. Highland focuses efforts toward revitalizing existing rental properties at risk of conversion to market rate housing, minimizing long-term maintenance and operating costs, improving energy efficiency, all while implementing upgrades specifically targeted toward improving community and lifestyle for its residents. Highland manages each stage of the development process – from acquisition of each property, procurement of debt and equity financing, the construction and rehabilitation phases, attainment of stabilized operations, and long-term asset management.

Since its inception in 2003, Highland and its principals have successfully acquired and redeveloped nearly 3,500 residential units contained within 55 multifamily properties located throughout California and Texas. The majority of these developments have involved substantial renovation of existing, government-subsidized housing. Highland structures and finances these developments through a combination of federal low-income housing tax credits (LIHTC), tax-exempt bond financing, federal and local governmental loans, privately placed debt, and rental subsidy programs. CSCDA has financed more than 10 prior Highland projects.

Public Agency Approval:

TEFRA Hearing: November 9, 2021 – City of Corning

CDLAC Approval: August 11, 2021

Public Benefits:

- 100% of the total units will be rent restricted for 55 years.
    - 11% (5 units) of the affordable units restricted to 30% or less of area median income households.
    - 11% (5 units) of the affordable units restricted to 50% or less of area median income households.
    - 78% (37 units) of the affordable units restricted to 60% or less of area median income households.
    - One manager unit.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	$ 3,500,000
USDA Loan:	$ 1,030,000
Net Operating Income:	$ 85,750
Tax Credit Equity:	$ 1,417,296
Deferred Developer Fee:	$ 661,112
Total Sources:	$ 6,694,158

Uses of Funds:

Acquisition:	$ 1,880,000
Construction Costs:	$ 3,404,280
Architecture & Engineering:	$ 76,000
Relocation:	$ 50,000
Capitalized Interest/Fees:	$ 241,638
Reserves:	$ 140,200
Developer Fee:	$ 661,112
Costs of Issuance:	$ 119,500
Soft Costs:	$ 121,428
Total Uses:	$ 6,694,158

<u>Finance Partners</u>:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser:	JP Morgan Chase Bank, N.A.

<u>Finance Terms</u>:

Rating:	Unrated
Term:	35 years
Method of Sale:	Private Placement
Estimated Closing:	February 28, 2022

<u>CSCDA Policy Compliance</u>:

The financing of the Project complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

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

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

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

ATTACHMENT A

RESOLUTION NO. 22H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $8,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS VALLEY TERRACE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

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

WHEREAS, HPD Valley Terrace II LP, a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority issue, sell and deliver its (i) California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Terrace Apartments) 2022 Series D (the "Tax-Exempt Bonds") and (ii) California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Terrace Apartments) Taxable 2022 Series D-T (the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") to assist in the financing of the acquisition, rehabilitation, development and equipping of a 48-unit (including one manager's unit) multifamily rental housing development located in the City of Corning, California, and to be generally known as Valley Terrace Apartments (the "Project");

WHEREAS, on August 11, 2021 the Authority received an allocation in the amount of $3,500,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Corning is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed $8,000,000 aggregate principal amount of Bonds, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with JPMorgan Chase Bank, N.A. (the "Bank"), as the initial purchaser of the Bonds, in accordance with the Authority's private placement policy;

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 hereto;

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

(1) Master Agency Agreement (the "Agency Agreement") to be entered into between the Authority and the Bank, as agent (the "Agent");

(2) Master Pledge and Assignment (the "Pledge Agreement") to be entered into among the Authority, the Agent and the Bank, as bondholder; 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:

<u>SECTION 1.</u> The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

<u>SECTION 2.</u> Pursuant to the JPA Law and the Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Terrace Apartments) 2022 Series D", including, if and to the extent necessary, the Tax-Exempt Bonds in one or more sub-series and the Taxable Bonds in one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $8,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and 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 Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds 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 Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance 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 redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

SECTION 4. The Agency 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 Agency 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 sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

SECTION 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

SECTION 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsements and such other documents as described in the Pledge Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this February 17, 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 February 17, 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: HPD VALLEY TERRACE II LP, a California limited partnership

2. Authority Meeting Date: February 17, 2022

3. Name of Obligations: California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Terrace Apartments) 2022 Series D and California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Terrace Apartments) Taxable 2022 Series D-T

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):

   (i) One Month Adjusted Term SOFR + 1.35% for the tax-exempt Obligations, and (ii) One Month Adjusted Term SOFR + 2.05% for the taxable Obligations [NOTE: as a construction-only loan, there are no principal payments to be discounted to the purchase price received for the Obligations, so the foregoing represents the construction term interest rate applicable to the Obligations].

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

   $50,000.00 payable to the Bond Purchaser and $15,000.00 in the aggregate payable to the Authority over the life of the Obligations.

(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:

$4,797,437.00 (calculated as $5,000,000.00 in total sale proceeds minus $65,000.00 in aggregate finance charges minus $137,563.00 in capitalized interest reserve).

(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):

$5,202,563.00 (calculated as $5,137,563.00 in total debt service plus $65,000.00 in aggregate finance charges not paid with the proceeds of the Obligations).

5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, **X** presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: February 14, 2022

Agenda Item No. 6

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) Assessment Districts for Series 2022A or a future bond issuance:

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

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

BACKGROUND AND SUMMARY:

The actions requested today by the Commission are the first steps in connection with 15 projects expected to be included in the SCIP 2022A pool and 3 projects wherein the district will be formed but will issue bonds in 2022B or 2022C. Attachment A includes a breakdown and location of the projects. The estimated amount of the SCIP 2022A financing is $25 million.

The resolutions/notices include the following actions:

1. Resolution of intention to finance the capital improvements and/or development impact fees, including approval of proposed boundary maps;

2. Resolution approving the preliminary engineer's reports;

   Related documents: https://www.dropbox.com/sh/idarseke9d3vly0/AABYPCsPLrigdxU63X-nMg7za?dl=0

3. Setting the public hearing of protests and providing property owner ballots for April 7, 2022 at 2:00 pm.

Subsequent approvals of the financing will be brought back to the Commission at future meetings.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the resolutions as presented to the Commission and setting the public hearing for April 7, 2022 at 2:00 pm.

ATTACHMENT A

Local Agency	Project	Developer	Land Use	Units	Est. Par Amount
Bakersfield, City of	Morningstar Ranch (Phase I)	LGI Homes - California, LLC	Single-Family	62	895,000
Lincoln, City of	Turkey Creek Estates (Units 1B & 1C)	Elliott Homes, Inc.	Single-Family	177	3,074,000
Roseville, City of	751 Roseville Parkway	Ridge Capital, Inc.	Warehouse	n/a	1,373,000
Galt, City of	Cardoso II	The True Life Companies	Single Family	87	3,020,000
Galt, City of	Cedar Flats (Phase II)	Tim Lewis Communities	Single-Family	49	1,529,000
Rancho Cordova, City of	Rio Del Oro (Villages 67A and 67B)	Elliott Homes, Inc	Single Family	253	2,753,000
Sacramento, City of	Portrero	Next Generation Capital	Single-Family	14	323,000
Sacramento, City of	L32	Next Generation Capital	Single-Family	12	129,000
Sacramento, City of	Morey Place	CEC Homes	Single Family	97	1,769,000
Sacramento, City of	Morrison Estates	CEC Homes	Single Family	36	656,000
Yucaipa, City of	Artisan	Far West Industries	Condominium (Detached)	70	2,156,000
San Marcos, City of	San Marcos Highlands	KB Home California LLC	Single Family	187	1,549,000
West Sacramento, City of	Newport Estates (Unit 12 - Tract 5129)	Seecon Financial and Construction Co., Inc.	Single-Family	99	1,748,000
Wheatland, City of	Caliterra Ranch (Village I)	K. Hovnanian California Region, Inc.	Single Family	55	1,614,000
Yuba, County of	South Orchard Estates	LGI Homes - California, LLC	Single-Family	41	1,367,000
Total	**15 Projects**			**1,239**	**$23,955,000**

FORMATION ONLY

Local Agency	Project	Developer	Land Use	Units	Est. Par Amount
Banning, City of	Banning 98	Diversified Pacific	Single-Family	98	4,213,000
Yucaipa, City of	Stonebrook Meadows	Century Communities, Inc.	Condominium (Detached)	57	1,529,000
Wheatland, City of	Caliterra Ranch (Village II)	K. Hovnanian California Region, Inc.	Single-Family	90	2,610,000
Total	**3 Projects**			**245**	**$8,352,000**

Agenda Item No. 7

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

SUBJECT: Local Governance Summer Institute at Stanford Sponsorship

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BACKGROUND:

In 2021 the Commission approved a sponsorship request of $24,000 for the 2022 Local Governance Summer Institute at Stanford (LGSI) to provide four scholarships for local government executives. The 2021 LGSI program was done as a hybrid with both virtual and in-person programming. Attendance was down and CSCDA only awarded two of its four scholarships. LGSI has committed that if the Commission approves the 2022 sponsorship of $24,000 that CSCDA could offer six scholarships to make up for the two unused scholarships for 2021. The LGSI program for 2022 is anticipated to be all in-person this year.

As a sponsor CSCDA would be provided the opportunity to participate on a panel discussion for the 2022 LGSI. The LGSI is supported by the League's City Managers Department, the California Association of County Executives (CACE), Cal-ICMA, and the California City Management Foundation. In addition, we would request that CSCDA logo be placed on materials associated with LGSI.

2022 Program:

The 2022 summer program consists of five full days of presentations and education. Tuition is $6,000 per person.

RECOMMENDATION:

The Executive Director recommends that CSCDA provide $24,000 in support for the 2022 LGSI Senior Executives Scholarship Fund, which will enable six local government executives to attend the 2022 program who would otherwise not be able to participate.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 8

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of First Amendment to Amended and Restated Services Agreement with Bridge Strategic Partners

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EXECUTIVE SUMMARY:

- In 2014, CSCDA conducted an extensive RFP process for Program Management services.
- On December 4, 2014, CSCDA approved a contract with Bridge Strategic Partners (BSP) for services that commenced on July 1, 2015 through December 31, 2018.
- On December 6, 2018 the Commission approved an Amended and Restated Services Agreement through December 31, 2022.
- BSP continues to provide exceptional services to CSCDA and its affiliates.
- The Program Administration Ad Hoc Committee (Tim Snellings, Kevin O'Rourke, and Brian Moura, the "Committee") recommends entering into a First Amendment (the "Amendment") to the First Amended and Restated Agreement with BSP (the "Agreement').

DISCUSSION:

CSCDA conducted an extensive RFP process in 2014 for Program Management services which resulted in the appointment of BSP as CSCDA's Program Manager. BSP has managed CSCDA's programs with the highest level of professionalism and the market has responded positively to BSP with a considerable increase in CSCDA's and its affiliates' programs.

The Committee entered negotiations with BSP in October 2021 and has concluded that another RFP process at this time would not be in the best interest of CSCDA's constituent cities, counties, and special districts.

The Committee recommends two amendments to the BSP Services Agreement; 1) the term of the Agreement established in Section 4 shall continue until December 31, 2026, and 2) the term 'Authority,' defined in the Preamble to the Agreement, shall be clarified to include Authority Affiliates.

The proposed Amendment has been reviewed by CSCDA's General Counsel and can be accessed here: https://www.dropbox.com/sh/cacpxj3lrxju7zr/AADTItKCSDvpRFPlC0ZKaXLJa?dl=0

RECOMMENDED ACTION:

CSCDA's Program Management Ad Hoc Committee and Executive Director recommend approval of the First Amendment to the Amended and Restated Professional Services Agreement with BSP.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 9

Agenda Report

DATE: February 17, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of CSCDA Audited Financial Statement for the Year Ended June 30, 2021

BACKGROUND AND SUMMARY:

Attached for the consideration of the Commission are the CSCDA audited financial statements for the Year Ended June 30, 2021. Mann, Urrutia, Nelson, CPAs & Associates, LLP prepared the reports working with the League of California Cities and CSCDA staff. Highlights from the audited financial statements include the following:

1. **Bonds Issued –** During fiscal year ending June 30, 2021, CSCDA issued $1.205 billion in conduit bonds which were in the following categories:
   - **Private Activity Bonds** – CSCDA financed 21 projects for a total of $1 billion in bonds **Public Agency Bonds** – CSCDA issued 11 bond issues totaling $205 million in bonds.
   - **PACE** – CSCDA had 135 bond issuances totaling $189 million in bonds.
   - **FY 2021 Total –** CSCDA had 167 bond issuances totaling $1.205 billion in bonds.
   - **Aggregate Total –** CSCDA's aggregate outstanding bonds is equal to $24.5 billion as of June 30, 2021.

2. **Bond Issuance Fees –** CSCDA collected $7,210,759 in new bond issuance fees which is a 35% increase over 2020 Bond Issuance Fees of $5.3 million.

3. **Bond Administrative Fees –** CSCDA collected $9,434,717 in bond administration fees which is a less than 1% increase over 2020 Bond Administrative Fees of $9.4 million.

4. **Distributions –** CSCDA's primary disbursements were:
   - $4,012,144 – HB Capital Bond Admin. Fees, down $304,529 thousand compared to 2020.
   - $3,513,607 – BSP Bond Issuance Fees, up $772,153 thousand from 2020.
   - $1,033,726 – BSP Bond Admin. Fees, up $85,313 thousand from 2020.
   - $3,697,154 – CSAC FC and LCC Issuance Fees, an increase of $939 thousand over 2020.
   - $3,340,854 – CSAC FC and LCC Admin. Fees, a decrease of $130 thousand over 2020.
   - $482,466 – General Administrative Activities, which included compensation to the Executive Director and General Counsel.

5. **Cash and Investment –** As of June 30, 2021, CSCDA's had $5,975,328 in cash and investments which primarily represent prepaid bond administration fees and deposits. The balance in the General Administrative Fund was $363,528 as of June 30, 2021.
6. **Investments –** CSCDA's cash and investments are held in money market funds and US Treasury Obligations

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the Audited Financial Statement for the Year Ended June 30, 2021.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY (CSCDA)**

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
California Statewide Communities Development Authority
Sacramento, California

We have audited the accompanying financial statements of the California Statewide Communities Development Authority, as of June 30, 2021, and the related notes to the 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 this 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 the financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 presents fairly, in all material respects, the financial position of the California Statewide Communities Development Authority, as of June 30, 2021 and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

SACRAMENTO OFFICE • 1760 CREEKSIDE OAKS WAY, SUITE 160 • SACRAMENTO, CA 95833 • O. 916.929.0540 • F. 916.929.0541
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Emphasis of Matter

Change in Accounting Principle

As described in Notes 2 and 7 to the financial statements, in 2021, California Statewide Communities Development Authority adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. 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 statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 statements, and other knowledge we obtained during our audit of the basic financial statements. 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - custodial fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - custodial fund is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - custodial fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mann, Urrutia, Nelson CPAs

Sacramento, California
January 31, 2022

Management's Discussion and Analysis

The California Statewide Communities Development Authority (CSCDA) was created in 1988, under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects.

Although cities, counties and special districts are able to issue their own debt obligations or serve as a conduit issuer of private activity bonds that promote economic development and provide critical community services, many local agencies find stand-alone financings too costly or lack the necessary resources or experience to facilitate the bond issuance and perform post-issuance activities for the term of the bonds.

In response, local governments formed CSCDA. CSCDA was created by and for local governments in California, and is sponsored by the California State Association of Counties (CSAC) and the League of California Cities (Cal Cities).

Today, over 500 cities, counties, and special districts have become Program Participants to CSCDA - which serves as their conduit issuer and provides access to an efficient and effective mechanism to finance locally-approved public benefit projects. At June 30, 2021, the aggregate amount of CSCDA's conduit debt obligations outstanding issued on behalf of program participants totaled $24.5 billion.

CSCDA helps local governments build community infrastructure, provide affordable housing, create jobs, make access available to quality healthcare and education, and more. CSCDA provides an important resource to its local government members by ensuring that local community projects get funded quickly and reliably.

<u>Conduit Finance Activity</u>

During the fiscal year ended June 30, 2021, CSCDA served as issuer for $1.5 billion in conduit revenue bonds related to its Private Activity and Public Agency Finance Programs.

Private Activity Finance Program projects are those owned by the private sector, but which provide specific public benefits as authorized under the Internal Revenue Code and approved by the local City Council or County Board of Supervisors. During the year ended June 30, 2021, CSCDA provided conduit financing for 21 Private Activity Finance Program projects ranging from construction of affordable and senior housing apartments to erecting hospital and educational infrastructure. In total, CSCDA provided conduit access to the tax-exempt and taxable municipal finance marketplace for approximately $1.1 billion in Private Activity Finance Program projects.

Public Agency Finance Program projects are those where CSCDA serves as the conduit issuer for financing where a city, county, and/or special district is the borrower. CSCDA frequently conducts these types of financings on a pooled basis with more than one government entity participating in a single financing, thereby spreading the costs of issuance across borrowers to produce a lower-cost transaction than each local government would enjoy on its own. During the year ended June 30, 2021, CSCDA conducted 11 Public Agency Finance Program conduit issuances totaling approximately $1,288,079 million and benefiting 11 of its public agency members.

PACE Finance Program allow property owners in participating cities and counties to finance renewable energy, energy water efficiency improvements, seismic improvements and electric vehicle charging infrastructure on their property. Participation in the assessment is 100% voluntary by the property owner. The improvements installed on the owner's property are financed by the issuance of bonds. The bonds are secured by a voluntary contractual assessment levied on the owner's property. Property owners who wish to participate in PACE agree to repay the money through the voluntary contractual assessment collected with property taxes. The voluntary contractual assessments are levied by CSCDA and collected in annual installments through the applicable county secured property tax bill. During the year ended June 30, 2021, there were 135 bond issuances totaling $189 million through the CSCDA PACE program.

<u>Overview of the Financial Statements</u>

This discussion and analysis is intended to serve as an introduction to CSCDA's financial statements. CSCDA's financial statements comprises three components: 1) the statement of fiduciary net position; 2) the statement of changes in fiduciary net position and 3) notes to the financial statements.

Financial Statements. CSCDA has two financial statements, the statement of fiduciary net position, which appears on page 6. This statement reports assets held in an custodial capacity for others and that are not the property of CSCDA itself. As an issuer which acts exclusively in a conduit capacity, CSCDA has no assets, liabilities, revenues, or expenses of its own. The statement of changes in fiduciary net position, which appears on page 7, reports cash flows related to the collection of CSCDA service fees are treated as discussed below in the sections titled "Bond Issuance" and "Bond Administration" while costs associated with CSCDA's operations are handled as discussed below in the sections titled "General Administrative Activities".

Notes to the Financial Statement. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 8 - 15 of this report.

<u>Analysis of Fiduciary Activity</u>

CSCDA is comprised of one custodial fund which is segregated into one of three categories, each of which is reported in the schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - custodial fund, which appears on page 16 as information supplemental to the financial statement. The categories are: 1) bond issuance, 2) bond administration, and 3) general administrative activities:

Bond Issuance represents amounts received from borrowers in CSCDA's name to pay for the program manager's services as well as for the program sponsorship, and marketing provided by CSAC and Cal Cities. CSCDA bills the borrower in advance for bond issuance fees and then places the payment on deposit with US Bank. Amounts held are invested in cash and cash equivalents.

Once bonds are issued, the trustee distributes payments pursuant to agreements approved by the CSCDA Board of Commissioners and for services provided to CSCDA. For the year ended June 30, 2021, CSCDA collected approximately $7.2 million for bond issuance services and CDLAC deposits. At June 30, 2021, the related accounts held approximately $0.1 million.

Bond Administration represents amounts assessed by CSCDA for the performance of ongoing administration and compliance work to help keep long-term bond issues in good standing. Bond administration fees are generally paid in advance by the borrower (sometimes several years in advance) and are remitted into various accounts with US Bank until the associated ongoing administration services are performed. These monies are invested either in cash and cash equivalents or in United States government treasury STRIPs.

Amounts held are considered to be the property of the payer until such time as the ongoing administration services are carried out by the program manager or others. Such services are primarily performed by the program manager and a housing compliance monitoring firm, each of which receives payments as services are rendered. For the year ended June 30, 2021, CSCDA collected approximately $9.4 million in payments and prepayments for ongoing bond administration activities. At June 30, 2021, the related accounts held approximately $0.7 million for bond administration activities pending performance of bond administration services.

General Administrative Activities represents amounts held in bank accounts where they are owned jointly by CSAC and Cal Cities. These accounts are funded by set-asides made prior to the distribution of bond administration service fees. Amounts held in these reserve accounts are first used, under the direction of the CSCDA Board of Commissioners, to pay the expenses of the CSCDA Executive Director and General Counsel, both of whom are engaged under contract with CSCDA. Remaining amounts are used by CSCDA for purposes such as marketing, funding public agency education programs, purchasing public official's insurance for the Board of Commissioners, to reimburse Commissioner expenses, and paying audit, legal, and other professional services expenses. For the year ended June 30, 2021 these accounts funded $482,466 in general administrative expenses of which $60,750 was paid to the Executive Director and $320,879 was paid to General Counsel. At June 30, 2021, the general administrative activities totaled $363,528.

Related Parties

CSCDA maintains agreements with CSAC and Cal Cities for the provision of program sponsorship and marketing. In exchange, both organizations receive shares of the distributions made from custodial funds collected for bond issuance and bond administration services. For the year ended June 30, 2021, CSAC and Cal Cities together received $7,038,008, shared equally between them. Program administration services are performed under contract with CSCDA by Bridge Strategic Partners. For the year ended June 30, 2021, this company was paid $5,049,888. Prior program administration fees are paid pursuant to an Agreement between CSCDA and HB Capital Resources, Ltd. For the year ended June 30, 2021 this company was paid $4,012,144.

Requests for Information

This financial report is designed to provide a general overview of CSCDA'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 COMMUNITIES DEVELOPMENT AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
AS OF JUNE 30, 2021

ASSETS	
Cash and investments	$ 5,975,328
Other assets	4,518
Total Assets	5,979,846
LIABILITIES	
Accounts payable	1,265,700
Developer deposits	935,702
Unearned revenues	2,611,962
Total Liabilities	4,813,364
NET POSITION	
Restricted for organizations and other governments	1,166,482
Total Fiduciary Net Position	$ 1,166,482

See accompanying notes to the financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

ADDITIONS	
Bond issuance fees	$ 7,210,759
Bond administrative fees	9,434,717
Interest income	229
Net increase in fair value	4
Total Additions	16,645,709
DEDUCTIONS	
Program administration	8,559,477
Program governance and marketing	7,038,008
Compliance monitoring	687,355
Executive director & general counsel	381,629
General administrative	100,837
Total Deductions	16,767,306
Net decrease in fiduciary net position	(121,597)
Fiduciary Net Position - July 1, 2020, Restated (Note 7)	1,288,079
Fiduciary Net Position - June 30, 2021	$ 1,166,482

See accompanying notes to the financial statements

NOTE 1 - NATURE OF ORGANIZATION

The California Statewide Communities Development Authority (CSCDA or the "Authority") is a conduit finance issuer only. It has no revenues, expenses. assets, or liabilities of its own. Debt obligations issued through CSCDA are those of the governments, non-profit organizations, and private companies who use CSCDA's own governmental status to access the tax-exempt and taxable municipal finance marketplace. Once a borrower uses CSCDA to issue debt, financial servicing of that debt falls to a trustee, or potentially to the investor itself in certain private placements. CSCDA maintains no ongoing interest in bonds issued through its conduit and no debt servicing responsibility.

CSCDA is a public agency established in 1988 as a Joint Powers Authority (JPA). It is sponsored by the California State Association of Counties and the League of California Cities and is set up per the provisions of California's Joint Exercise of Powers Act. Under this law, any two or more public agencies may by agreement jointly exercise powers common among them. In this manner, through CSCDA, local governments have a vehicle they control to complete public benefit projects that otherwise may not have been economical or practical to pursue were the local jurisdiction to have served as issuer. CSCDA is a cooperative repository of public benefit finance expertise that allows its members to use an array of tax-exempt programs without the burden of managing the associated set of issuance and ongoing administrative responsibilities directly themselves.

CSCDA is governed by a seven-member commission. CSCDA's Board of Commissioners (the "Board" or "Commission") is appointed by the California State Association of Counties (CSAC) and the League of California Cities (Cal Cities) (see Note 4 - Related Parties), which together represent the interests of counties and cities throughout the state. This Board is required by the joint powers agreement to establish public benefit finance criteria and to evaluate every submitted project on the basis of benefit provided, after receiving the requisite local approval. No project can proceed without the approval of the commissioners which ensures the preservation of both city and county interests. Since January 16, 2014, administration of CSCDA has been managed by an Executive Director engaged under contract by the Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying financial statements of CSCDA has been prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standads Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental enities. The financial statements are presented using the accrual basis of accounting.

CSCDA is comprised of one custodial fund. Custodial funds are a type of fiduciary fund that accounts for resources held by the Authority on behalf of other governments, non-profit organizations and private companies. The financial statements are presented using the accrual basis of accounting.

Bond Issuance and Ongoing Bond Administration

While CSCDA has no revenues of its own, the Program Manager (see Note 4 - Related Parties) oversees the collection of bond issuance and ongoing bond administration fees received in CSCDA's name. Such fees are published in CSCDA's fee schedule and are generally assessed as percentages of bonds issued or bonds outstanding. Fee collections, some of which are prepaid by borrowers, are deposited into one or more third-party trustee accounts where they are held until distributed to CSAC, Cal Cities, the Program Manager, the Prior Program Manager, or other designated payees. CSCDA recognizes no revenues or expenses related to these fee collections and disbursements, all of which are reported in the financial statements of CSAC, Cal Cities, the Program Manager, and other third parties. Funds held in third-party trustee accounts related to bond issuance and ongoing bond administration activities, and reported within the statement of fiduciary net position, amounted to $802,954 at June 30, 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Administrative Activities

Prior to the distribution of bond administration service fees to CSAC, Cal Cities, and the Program Manager (see Note 4 - Related Parties), an allocation is made to accounts owned by CSAC and Cal Cities and held for them. These accounts are first used, under the direction of the Commission, to pay the expenses of the CSCDA Executive Director and General Counsel, both of whom are engaged under contract with CSCDA. Remaining amounts are used to buy insurance for CSCDA, fund certain marketing activities, reimburse Commissioner expenses, and support other general administrative activities. Amounts held in reserve accounts are for CSAC and Cal Cities and are reported within the statement of fiduciary net position. The general administrative activity custodial fund totaled $363,528 at June 30, 2021.

Recently Adopted Government Accounting Standards

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. CSCDA adopted this accounting guidance for its June 30, 2021 year-end. See Note 7 for more information on the impact of adopting this standard.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interests reported as an investment and majority equity interest reported as a component unit of the governmental entity. Application of this statement has had no material impact on CSCDA's financial statements for the fiscal year ending June 30, 2021.

Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2021 and may be applicable for CSCDA. However, CSCDA has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for CSCDA's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires not disclosures regarding a SBITA. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans and Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the Authority's fiscal year ending June 30, 2022.

NOTE 3 - CONDUIT FINANCE ACTIVITY

CSCDA's conduit finance activity for the year ended June 30, 2021 appears as follows:

Private Activity Finance Programs	No. of Projects Financed	No. of Bonds Issued	Debt Issued
Qualified 501(c)(3) Nonprofit	8	8	$ 682,815,000
Affordable Multifamily Housing	13	13	378,840,312
Total Private Activity	21	21	$ 1,061,655,312

Public Agency Finance Programs	No. of Program Participants	No. of Bonds Issued	Debt Issued
Statewide Community Infrastructure Program (SCIP)	4	4	$ 88,400,000
Community Facilities Districts (CFDs)	6	6	73,095,000
TRIP	1	1	44,165,000
Total Public Agency	11	11	$ 205,660,000

NOTE 3 - CONDUIT FINANCE ACTIVITY (CONTINUED)

Property Assessed Clean Energy (PACE) Finance Programs	No. of Bonds Issued	Debt Issued
Open PACE Program	135	$ 189,013,088
Total PACE	135	$ 189,013,088
Total Debt Issued	167	$ 1,456,328,400

At June 30, 2021 the aggregate amount of CSCDA's conduit debt obligations outstanding issued on behalf of program participants totaled $24.5 billion.

The amount of conduit debt obligations authorized, but unsold as of June 30, 2021 was $190,000,000.

NOTE 4 - RELATED PARTIES

CSCDA has entered into Intellectual Property License, Royalty, and Administrative Agreements with CSAC and Cal Cities (see Note 1-Nature of Organization) for sponsorship and marketing of CSCDA's conduit finance programs. In addition, per the provisions of the CSCDA Joint Powers Agreement, CSAC and Cal Cities appoint individuals to serve on CSCDA's seven-member commission.

CSCDA has also entered into Program Administration Agreements with Bridge Strategic Partners for the provision of comprehensive staff services for daily operational and marketing purposes. Acting as CSCDA's staff, Bridge Strategic Partners personnel implement the issuance policies established by CSCDA's Board of Commissioners, execute aspects of the deal qualification and structuring process, analyze and present transactions to CSCDA's Board of Commissioners for review and approval, and work with the financial and legal community, local agencies and regulatory bodies, and others to ensure that conduit bonds issued in CSCDA's name remain in good standing. CSCDA has an ongoing prior administration agreement with HB Capital Resources Ltd. related to bond administration fees for bond issuances prior to July 1, 2015.

Pursuant to the above referenced program administration agreements, HB Capital Resources Ltd. receives a percentage of bond administration fees paid by borrowers for bond issuances prior to July 1, 2015 and Bridge Strategic Partners receives a set percentage of the bond issuance and ongoing bond administration fees assessed to borrowers in CSCDA's name after June 30, 2015, with such percentages varying based upon deal type. Under the intellectual Property License, et seq. Agreement, CSAC and Cal Cities receive an equal portion of the remaining bond issuance and ongoing bond administration fees. CSAC, Cal Cities, HB Capital Resources and Bridge Strategic Partners pay all their own expenses related to the provision of their respective activities or services. For the year ended June 30, 2021, CSAC and Cal Cities together received $7,038,008 split equally between them, while Bridge Strategic Partners received $5,049,888 and HB Capital Resources received $4,012,144.

NOTE 5 - CASH AND INVESTMENTS

Cash and investments at June 30, 2021 consisted of the following:

Investments	
Money Market Funds	$ 3,507,465
U.S. Treasury Obligations	2,467,863
Total investments	$ 5,975,328

Custodial Fund Investments Authorized by CSCDA's Investment Practice

The table below identifies the investment types authorized by CSCDA for custodial funds held for the benefit of CSCDA's conduit issuance activities. "None," in the context used in the table, means there are no limitations. (This table does not address investments of conduit bond proceeds held by bond trustees that are governed by the provisions of the associated conduit debt agreements.)

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum Investment in one Issuer
Money Market Funds	N/A	None	None
U.S. Treasury Obligations	None	None	None

Disclosures Relating to Interest Rate Risk

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 to changes in interest rates. One of the ways that CSCDA manages the exposure of custodial funds is by authorizing the purchase 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 maturity over time as necessary to provide the cash flow and liquidity needed for conduit operations.

Information about the sensitivity of the fair values of custodial fund investments to market rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

	Maturities				
Investment Type	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	Total
Money Market Funds	$ 3,507,465	$ -	$ -	$ -	$ 3,507,465
U.S Treasury Obligations	201,923	195,365	557,906	1,512,669	2,467,863
Total	$ 3,709,388	$ 195,365	$ 557,906	$ 1,512,669	$ 5,975,328

Disclosures Relating to 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. CSCDA mitigates the credit risk of custodial funds by limiting permitted investments to U.S. Treasury obligations or money market funds that carry the assignment of a BBB or better rating by a nationally-recognized statistical rating organization. At June 30, 2021, custodial fund investments were held entirely in money market funds and U.S. Treasury obligations with Standards & Poor's ratings of AAA and AA+, respectively. However, under GASB 40, U.S. Treasury obligations are not considered to have credit risk.

NOTE 5 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

CSCDA's investment practice with respect to custodial funds limits concentration of credit risk by restricting investments to U.S. Treasury obligations or money market funds. CSCDA's custodial fund investment position at June 30, 2021, was in compliance with this practice.

Custodial Credit Risk

The custodial credit risk for custodial fund investments is the risk that, in the event of the failure of the counterparty to a transaction, the beneficiaries of the custodial funds will not be able to recover the value of their investments or collateral securities that are in the possession of another party. CSCDA's custodial fund investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The custodial credit risk for custodial fund deposits is the risk that, in the event of the failure of a depository financial institution, CSCDA will not be able to recover collateral securities that are in the possession of an outside party. Deposits that potentially subject CSCDA to custodial credit risk consist of demand deposits and money market accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). It is the practice of CSCDA to place its demand deposits and money market accounts with a high-credit, quality financial institution. At June 30, 2021, CSCDA held all of its funds at one financial institution which provides FDIC coverage of deposits up to $250,000. Deposits not covered by the FDIC are secured in accordance with the California Government Code, which requires that financial institutions secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Collateral is considered held in CSCDA's name.

Fair Value Measurements

CSCDA 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 I 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
Money Market Funds	$ 3,507,465	$ 3,507,465	$ -
U.S. Treasury Obligations	2,467,863	-	2,467,863
Total	$ 5,975,328	$ 3,507,465	$ 2,467,863

NOTE 6 - 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 accounts payable and custodial obligations to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statement 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 CSCDA.

NOTE 7 - CHANGE IN ACCOUNTING PRINCIPLE

As a result of GASB Statement No. 84, *Fiduciary Activities*, beginning net position of custodial funds has been restated to $1,288,079. Prior to GASB Statement No. 84, custodial funds (previously, agency funds) only reported assets and liabilities and reported no net position or measurement of results of operations.

SUPPLEMENTARY INFORMATION

The following page contains information that is supplemental to the operations of the California Statewide Communities Development Authority (CSCDA). The information that appears shows the consolidated activity and balances of accounts used to collect issuance and administrative fees remitted to CSCDA by borrowers. Amounts collected in these accounts are the property of the California State Association of Counties (CSAC), the League of California Cities (Cal Cities), and certain conduit borrowers for which services have not yet been performed, but who have deposited funds for the future payment of those services. CSCDA holds no right or title to these accounts.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
SCHEDULE OF FIDUCIARY FEE COLLECTIONS/CHARGES AND DISBURSEMENTS
RELATED TO THE CONDUIT FINANCE ACTIVITIES
CUSTODIAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Bond Issuance	Bond Administration	General Administrative Activities	Total
Amounts Collected and Charged in Benefit of Conduit Finance Activities of CSCDA				
Bond issuance fees	$ 7,210,759	$ -	$ -	$ 7,210,759
Bond administrative fees	-	9,434,717	-	9,434,717
Investment income:				
Interest	133	96	-	229
Change in fair value of investments	-	4	-	4
Total Amounts Collected and Charged in Benefit of Conduit Finance Activities of CSCDA	7,210,892	9,434,817	-	16,645,709
Amounts Disbursed in Benefit of Conduit Finance Activities of CSCDA				
Program Administration:				
Program Manager - Bridge Strategic Partners, LLC	3,513,607	1,033,726	-	4,547,333
Prior Program Manager - HB Capital Resources, Ltd.	-	4,012,144	-	4,012,144
Program Governance and Marketing:				
CSAC	1,848,577	1,670,427	-	3,519,004
League of California Cities	1,848,577	1,670,427	-	3,519,004
Compliance Monitoring:				
Urban Futures Bond Administration, Inc.	-	184,800	-	184,800
Bridge Strategic Partners, LLC	-	502,555	-	502,555
Executive Director & General Counsel Compensation	-	-	381,629	381,629
General Administrative:				
Others	-	-	100,837	100,837
Total Amounts Disbursed in Benefit of Conduit Finance Activities of CSCDA	7,210,761	9,074,079	482,466	16,767,306
Transfers	-	(442,328)	442,328	-
Change in Account Balances	131	(81,590)	(40,138)	(121,597)
Beginning Balances July 1, 2020, Restated	75,679	808,734	403,666	1,288,079
Ending Balances, June 30, 2021	$ 75,810	$ 727,144	$ 363,528	$ 1,166,482

See accompanying notes to the financial statements