



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



LEAGUE OF
CALIFORNIA
CITIES

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REGULAR MEETING AGENDA

September 15, 2022 at 2:00 pm

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	_____ Niroop Srivatsa, Alt. Member
_____ Jordan Kaufman, Treasurer	_____ Jim Erb, Alt. Member
_____ Dan Mierzwa, Member	

2. Consideration of the Minutes of the September 1, 2022 Regular Meeting.

3. Consent Calendar.

4. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

5. Proceedings related to formation of CFD No. 2022-09 (Espana), City of Indio, County of Riverside ("CFD No. 2022-09"):

a. Conduct public hearing.

b. Consideration of resolution of formation establishing CFD No. 2022-09 and providing for the levy of a special tax therein to finance certain public improvements and certain development impact fees.

- c. Consideration of resolution deeming it necessary to incur bonded indebtedness to finance certain public improvements and certain development impact fees to mitigate the impacts of development within CFD No. 2022-09.
- d. Consideration of resolution calling special mailed-ballot election within CFD No. 2022-09.
- e. Conduct special election within CFD No. 2022-09.
- f. Consider resolution declaring results of special mailed-ballot election within CFD No. 2022-09.
- g. Conduct first reading of the ordinance levying a special tax for fiscal year 2022-2023 and following years within CFD No. 2022-09.

- 6. Consideration of Compliance Monitoring Services Contract with Urban Futures Bond Administration, Inc.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday October 6, 2022 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of Harbor Park Apartments Phase 2, LP (Harbor Park Apartments Phase 2), City of Vallejo, County of Solano; issue up to \$45 million in multi-family housing revenue bonds.
2. Consider resolution replacing Christy Stutzman with Christy Higgins as an authorized signatory.

September 15, 2022



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

September 1, 2022 at 2:00 pm

Commission Chair Tim Snellings called the meeting to order at 2:01 pm.

1. Roll Call.

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

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

2. Consideration of the Minutes of the August 18, 2022 Meeting.

The Commission approved the August 18, 2022 Regular Meeting minutes.

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

3. Consideration of the 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 amendment to CSCDA Open PACE documents to allow for DTC book-entry for commercial PACE transactions.
3. Consideration of three-year program administration agreement extension for PACE Equity.

4. Consideration of three-year program administration agreement extension for White Oak Advisors.

Motion to approve by M. Raines. Second by K. O'Rourke. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

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

- a. Centennial Square Apartments, LP (Centennial Square Apartments), City of Santa Maria, County of Santa Barbara; issue up to \$70,000,000 in multi-family housing revenue bonds.

The Commission approved the financing for the Centennial Square Apartments, LP.

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

6. Consideration of a resolution authorizing the execution and delivery of a second amended and restated indenture relating to the variable rate demand revenue bonds (Western University of Health Sciences) Series 2007A.

Motion to approve by K. O'Rourke. Second by B. Stiger. Unanimously approved by roll-call vote.

7. Consider the following resolutions for a Statewide Community Infrastructure Program (SCIP) Assessment District for the "Vanden Meadows" project for Series 2022C or a future bond issuance:

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

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

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

Motion to approve by M. Raines. Second by J. Kaufman. Unanimously approved by roll-call vote.

8. Conduct second readings and adoption of the respective ordinances regarding the cessation of the levy of the special tax with each of Improvement Area 1, Improvement Area 2 and

Improvement Area 3 of CFD No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno and the dissolution of CFD No. 2012-01 (Fancher Creek).

Motion to approve by K. O’Rourke. Second by B. Moura. Unanimously approved by roll-call vote.

9. Conduct second reading and adoption of the respective ordinances levying a special tax for fiscal year 2022-2023 and following within Improvement Area No. 1 in CFD No. 2022-07 (Watson Ranch) and within CFD No. 2022-10 (Promenade at Sand Creek).

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

10. Consideration of adding sewer/water line improvements as an eligible measure for CSCDA Open PACE.

Motion to approve by B. Moura. Second by K. O’Rourke. Yes: T. Snellings, B. Moura, K. O’Rourke, M. Raines, B. Stiger; No: J. Kaufman. Motion passes by a majority vote.

11. Executive Director Update.

Executive Director Barna reported that the Administrative Ad Hoc Committee and senior representatives from both Cal Cities and CSAC met in Sacramento to discuss important issues such as housing, homelessness and other administrative issues.

Barna and James Hamill will represent CSCDA at CalCities annual conference next week in Long Beach. Chair Snellings and Barna will represent CSCDA at the California Association of County Administrator’s conference in October.

She informed the Commission that details regarding the in-person meeting in October have been sent by our event planner, Sue Harrington.

CSAC’s annual conference is scheduled November 14-18 in Anaheim which is earlier than normal. Chair Snellings, James Hamill and Barna will represent CSCDA.

12. Staff Update.

Staff informed the Commission that an extra meeting will need to be added at the end of the month on September 29, 2022 due to the high volume of SCIP applications.

Ygrene PACE Financing will be exiting the California market in PACE.

13. Adjourn.

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

Submitted by: Sindy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, September 15, 2022 at 2:00 p.m.



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Agenda Item No. 3

Agenda Report

DATE: September 15, 2022
TO: CSCDA COMMISSIONERS
FROM: Cathy Barna, Executive Director
PURPOSE: Consent Calendar

2. Consider resolution replacing Christy Stutzman with Christy Higgins as an authorized signatory.

Christy Stutzman is the Operations Manager for the CSAC Finance Corporation, and became an authorized signatory for CSCDA in 2020. She has recently married and her new last name is Higgins which requires the resolution be updated to incorporate her new name.

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 September 15, 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 September 15, 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
Harbor Park Apartments Phase 2	City of Vallejo, County of Solano	127	New Construction	Harbor Park Apartments Phase 2, LP	\$45,000,000

RESOLUTION NO. 22R-13

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING, AMONG OTHER MATTERS, DESIGNEES THEREOF TO EXECUTE AND DELIVER ON BEHALF OF THE COMMISSION OR THE AUTHORITY DOCUMENTS REQUIRING SIGNATURE BY A MEMBER OF THE COMMISSION AND AUTHORIZED BY AUTHORITY RESOLUTION

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

WHEREAS, pursuant to the Agreement, the Authority is administered by a commission (the “Commission”) consisting of seven members (the “Members”) vested with the powers set forth therein, four of which are appointed by the California State Association of Counties (“CSAC”), successor to County Supervisors Association of California, and three of which are appointed by the League of California Cities (the “League”); and

WHEREAS, pursuant to the Agreement, the Commission has the power, by resolution, to the extent permitted by the Act and any other applicable law, to delegate any of its functions to one or more of the Members, its officers or its agents and to cause such designees to take any actions and execute any documents or instruments for and in the name and on behalf of the Commission; and

WHEREAS, given the increase in the number of issues of bonds per year by the Authority and the related documentation since the formation of the Authority, the Commission desires to delegate to certain agents the function of execution and delivery on behalf of the Authority of any documents, certificates or instruments requiring signature by any Member, including any Member acting as an officer of the Commission, that are authorized for execution and delivery by adoption of a resolution of the Authority (each an “Authority Resolution”); and

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

Section 1. The Authority hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Authority hereby acknowledges the name change of Christy Stutzman to Christy Higgins. Christy Stutzman is currently a delegatee of the Members with certain administrative duties as further specified in Section 4 and 5 below.

Section 3. The Authority hereby confirms its appointment of Korina Jones and Christy Stutzman, originally appointed pursuant to Resolution No. 20R-1, adopted by the Authority on January 23, 2020; Manuel Rivas and Valentina Dzebic, originally appointed

pursuant to Resolution 19R-1, adopted by the Authority on January 24, 2019; Sendy Young, originally appointed pursuant to Resolution No. 18R-2, adopted by the Authority on April 19, 2018; James Hamill and Jon Penkower, originally appointed pursuant to Resolution No. 17R-4, adopted by the Authority on March 2, 2017; Alan Fernandes, originally appointed pursuant to Resolution No. 15R-53, adopted by the Authority on October 22, 2015; Graham Knaus, originally appointed pursuant to Resolution No. 15R-11, adopted by the Authority on April 9, 2015; Executive Director, Catherine Bando, originally appointed pursuant to Resolution No. 14R-4, adopted by the Authority on February 6, 2014; and Norman Coppinger, originally appointed pursuant to Resolution No. 13R-12, adopted by the Authority on May 30, 2013. Korina Jones, Christy Stutzman, Manuel Rivas, Valentina Dzebic, Sendy Young, James Hamill, Jon Penkower, Alan Fernandes, Graham Knaus, Catherine Bando, and Norman Coppinger, are each referred to herein as an “Authorized Signatory.” The Authority hereby revokes its appointment of Laura Labanieh (formerly Laura Campbell) as an Authorized Signatory, originally appointed pursuant to Resolution No. 13R-20, adopted by the Authority on September 5, 2013, with her name change from Laura Campbell to Laura Labanieh recognized by the Authority pursuant to Resolution No. 14R-58, adopted by the Authority on November 6, 2014.

Section 4. To the extent permitted by the Act or any other applicable law, the Commission hereby delegates to each Authorized Signatory, on behalf of a Member, the administrative authority to execute and deliver, any documents, certificates or instruments requiring signature by any Member, including any Member acting as an officer of the Commission, that are authorized for execution and delivery by Authority Resolution, including, but not limited to, the execution and delivery of any bonds, notes or other evidences of indebtedness issued and/or delivered by the Authority.

Section 5. To the extent permitted by the Act or any other applicable law, the Commission hereby further delegates to each Authorized Signatory, on behalf of a Member, the administrative authority to execute and deliver any amendments, waivers, consents, approvals, notices, orders, requests and other actions of the Authority entered into or given in accordance with the documents approved by an Authority Resolution or as otherwise provided in Resolution No. 00R-5, adopted by the Authority on March 28, 2000, as provided to such Authorized Signatory by staff to the Authority upon the advice of counsel to the Authority.

Section 6. The Commission hereby further delegates to each Authorized Signatory, the administrative authority to record and publish minutes of meetings of the Commission on behalf of the Authority and further authorizes each Authorized Signatory, to delegate such functions to staff of the League or CSAC, as he or she may deem necessary or appropriate.

Section 7. All actions heretofore taken by any Member, Authorized Signatory and other appropriate officers and agents of the Authority with respect to the matters herein contained are hereby ratified, confirmed and approved.

Section 8. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this September 15, 2022.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on September 15, 2022.

By _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 5

Agenda Report

DATE: September 15, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Espana (City of Indio) – Community Facilities District

PURPOSE: Proceedings related to formation of CFD No. 2022-09 (Espana), City of Indio, County of Riverside (“CFD No. 2022-09”)

EXECUTIVE SUMMARY:

On August 4, 2022 the Commission initiated proceedings for the Espana CFD and set the public hearing for today. The action requested today is the second step in the formation of the Espana Community Facilities District (CFD) located in Indio, California (the “City”). The CFD is being formed to finance public facilities and fees with City and the Coachella Valley Water District (“CVWD”). The City and CVWD have both approved the formation of the CFD by CSCDA.

BACKGROUND:

GID Espana LLC (“Developer”) is developing approximately 98 acres planned for approximately 318 single family homes within the boundaries of the City and CVWD. Developer is proposing the formation of the CFD to fund City and CVWD fees and improvements applicable to the Project. As shown on the attached Attachment A, the Project is located east of Adams Street between Avenue 39 and Avenue 40 in the City of Indio. The Project has an approved tentative map and is the second phase of the larger Espana project of which Phase 1 is currently being developed. The construction and sales of homes will be Lennar Homes.

Lennar Homes is a publicly traded residential homebuilder. Since 1954, Lennar has built over one million new homes for families across the U.S. They build in some of the nation’s most popular cities, and the communities cater to all lifestyles and family dynamics, whether a first-time or move-up buyer, multi-generational family, or active adult.

The financing will not exceed \$12,000,000 and will be brought back to the Commission for completion of the formation of the CFD and for final approval of the bond issuance.

The following is a summary of the estimated fees and improvements to be financed:

Coachella Valley Water District [a]	Per Unit	Total
Sanitation Capacity Charge	\$ 4,533	\$ 1,441,494
Water Demand Offset Fee	1,392	442,656
Water System Backup Facility Charge	3,757	1,194,726
Water Meter Fee	421	133,878
Total CVWD Fees	\$ 10,103	\$ 3,212,754
 Sewer, Water & Storm Drain Improvements [b]	 \$ 11,735	 \$ 3,731,740
 Total CVWD Costs	 \$ 21,838	 \$ 6,944,494
 City of Indio [a]	 Per Unit	 Total
Fire Facility	\$ 505	\$ 160,590
Public Building	1,968	625,824
Police Facility	1,289	409,902
Park Improvements	2,972	945,096
Roads and Bridges	2,451	779,418
Traffic Signal	302	96,036
Storm Drain Fee	853	271,148
Total City Fees	\$ 10,340	\$ 3,288,014
 Total CFD Eligible Costs	 \$ 32,178	 \$ 10,232,508

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends conducting the public hearing and approving the following resolutions:

1. Conduct public hearing.
2. Consideration of resolution of formation establishing CFD No. 2022-09 and providing for the levy of a special tax therein to finance certain public improvements and certain development impact fees.
3. Consideration of resolution deeming it necessary to incur bonded indebtedness to finance certain public improvements and certain development impact fees to mitigate the impacts of development within CFD No. 2022-09.
4. Consideration of resolution calling special mailed-ballot election within CFD No. 2022-09.
5. Conduct special election within CFD No. 2022-09.

6. Consider resolution declaring results of special mailed-ballot election within CFD No. 2022-09.
7. Conduct first reading of the ordinance levying a special tax for fiscal year 2022-2023 and following years within CFD No. 2022-09.

Documents: <https://www.dropbox.com/sh/2fwu14vn4ui1n6e/AADKfrkVtH3iEZjq1zLb-Kgga?dl=0>



Agenda Item No. 6

Agenda Report

DATE: September 15, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of Compliance Monitoring Services Contract with Urban Futures Bond Administration, Inc.

BACKGROUND AND SUMMARY:

On December 1, 2015, CSCDA entered into a Compliance Monitoring Services Contract with Urban Futures Bond Administration (“UFBA”) to provide compliance related services for multifamily housing transactions prior to July 1, 2015 (the “Original Agreement”). The Original Agreement was subsequently amended on March 16, 2017 and August 3, 2017.

UFBA has proposed that it and CSCDA enter into a new agreement to replace the Original Agreement whereby UFBA would provide the same scope of services under the Original Agreement for an additional five-year term. UFBA has further proposed a fee increase from \$300 to \$325 per project. No other provisions from the Original Agreement will be amended.

CSCDA’s Program Management Ad Hoc Committee reviewed and recommended approval of the proposal on September 1, 2022.

The proposed contract is attached and has been reviewed by CSCDA’s General Counsel.

RECOMMENDATION:

CSCDA’s Program Management Ad Hoc Committee and Executive Director recommend approval of the Compliance Monitoring Services Contract with Urban Futures Bond Administration in the form of Attachment A.

Attachment A

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMPLIANCE MONITORING SERVICES CONTRACT**

This Compliance Monitoring Services Contract (the "Contract"), dated as of _____, 2022, is made by and between California Statewide Communities Development Authority, with offices at 1700 N. Broadway, Suite 405, Walnut Creek, CA ("Authority"), and Urban Futures Bond Administration, Inc., a California Corporation, with offices at 3111 N. Tustin, Suite 110, Orange, CA ("Contractor") (collectively, the "Parties" and each individually, a "Party").

Authority and Contractor agree as follows:

1.0 ENGAGEMENT OF CONTRACTOR. Authority agrees to engage Contractor and Contractor agrees to perform the services hereinafter set forth as authorized by Authority beginning on October 1, 2022 (the "Effective Date").

2.0 SCOPE OF SERVICES.

2.1 Contractor shall provide to Authority Multi-family and Senior Housing Projects ("Projects" and each of the Projects being a "Project") compliance reporting to California Debt Limit Allocation Committee (CDLAC) for each Project funded by bonds issued by the Authority before July 1, 2015, as set forth in the Scope of Services (Exhibit A).

2.2 Contractor shall perform the Services (a) in a professional manner according to the highest ethical standards recognized in the industry; (b) in a quality, competent, timely and workmanlike manner, consistent with industry standards for analogous services; and (c) in accordance with the California Debt Limit Allocation Committee Regulations and all other applicable laws, rules, and regulations.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the Services under this Contract. Said personnel shall not be employees of Authority or have any contractual relationship with Authority. Contractor shall not subcontract, outsource or otherwise engage any third parties to perform any of the Services without the prior written consent of Authority.

4.0 TERM OF CONTRACT.

4.1 Contract Term. The term of this Contract begins on the Effective Date and ends on September 30, 2027, unless sooner terminated as provided in Section 4.2 and 4.3 herein (the "Initial Term").

4.2 Termination for Convenience. At its sole discretion, Authority may terminate this Contract without cause and without further liability or obligation to the Contractor, upon giving Contractor one hundred twenty (120) days written notice of its intention to do so.

4.3 Resignation of Contractor. At its sole discretion, Contractor may resign from its position and terminate this Contract by giving Authority one hundred twenty (120) days written notice of its intention to do so.

4.4 Termination for Breach. If there is any material breach of this Contract by one Party, the other Party may (reserving cumulatively all other remedies and rights under this Contract and in law and in equity) terminate this Contract by giving thirty (30) days prior written notice to the breaching Party, and the Term shall end; provided, however, that such termination shall not be effective if the breach has been cured to the satisfaction of the non breaching party prior to the expiration of the thirty (30) day notice period.

4.5 Survival. The provisions of Sections 5, 6 and 7, with the exception of 7.3.3, shall survive termination or expiration of this Contract.

5.0 COMPENSATION AND FEES.

5.1 Compensation. For the Services rendered pursuant hereto and all costs expenses incurred hereunder, Contractor shall be paid an annual fee based on a per Project rate as set forth in the Fee Schedule (Exhibit B). The annual fees shall be paid to Contractor by Authority according to the terms of Section 6 and Exhibit B. In the event this Contract is terminated pursuant to Section(s) 4.2 or 4.3, the annual fees shall be prorated from the preceding month to the date of termination.

5.1.1 Services performed outside the Scope of Services, if requested by Authority, will be billed at Contractor's hourly rates as set for in the Fee Schedule (Exhibit B). No services outside the scope of the Services shall be performed by Contractor, and no additional hourly fees shall be charged by Contractor, without the prior written consent of Authority.

6.0 PAYMENT

6.1 Beginning October 1, 2022, Contractor will receive payment on a monthly basis, calculated as 1/12th of the annualized amount for each Project, for services rendered during the prior month. Contractor agrees that each payment is limited to the amount of available bond administration fees received for the Project.

6.2 Authority shall pay Contractor within thirty (30) calendar days after the first of each month.

7.0 GENERAL TERMS AND CONDITIONS.

7.1 Representations and Warranties of the Contractor. The Contractor makes the following representations and warranties:

7.1.1 It is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to carry on its business as now being conducted.

7.1.2 It has the power to execute and deliver this Contract and to carry out the transactions contemplated hereby; and it has duly authorized the execution, delivery and performance of this Contract.

7.1.3 It is independent from and not under the domination of the Authority, does not have any substantial interest, direct or indirect, in the Authority, and is not an officer or employee of the Authority.

7.2 Ownership of Work. All records, reports, data and support documentation, relating to contracted Projects with Authority, prepared by Contractor in furtherance of the work shall be delivered to the Authority in an electronic format acceptable to Authority upon termination of the contract and payment in full of all monies due to the Contractor. However, all electronic spreadsheet templates are and shall remain the exclusive property of Contractor, while the output from such devices prepared in furtherance of the work shall be the property of the Authority. Contractor shall keep such documents and materials on file and available for audit by the Authority for at least three (3) years after completion or early termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own file or for promotional purposes.

7.3 Compliance Monitoring System.

7.3.1 Ownership. The Compliance Monitoring System (custom web application) used by the Contractor in the performance of its duties under this Contract is and shall remain under the full control and ownership of the Contractor. The Compliance Monitoring System (custom web application), developed and owned by the Contractor cannot be duplicated or licensed without the written permission of the Contractor.

7.3.2 Intellectual Property. Contractor will hold and own all intellectual property rights relating to the Compliance Monitoring System.

7.3.3 Access. Contractor hereby grants to Authority access to use the Compliance Monitoring System during the Term of this Agreement.

7.4 Insurance. Contractor shall maintain during the Term the following insurance policies: Commercial General Liability coverage of \$1,000,000 each occurrence and \$2,000,000 in the aggregate. The insurance coverage provided under this Section 7.4 shall include Authority as an additional insured in connection with the Services. The above required insurance policy shall contain a waiver of rights of subrogation against Authority and CSCDA. Certificates of insurance shall be provided to Authority evidencing all of the above insurance and conditions. Such certificates shall stipulate that the insurance coverage stipulated therein shall not be cancelled without at least thirty (30) calendar days' prior written notice to Authority.

7.5 Successors and Assigns. Subject to the consent requirement of Section 7.10, this Contract shall inure to the benefit of, and shall be binding upon, the Parties hereto and their respective heirs, successors and/or assigns.

7.6 Execution in Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

7.7 Business Days. If any action is required to be taken hereunder on a date which falls on other than a Business Day, such action shall be taken on the next succeeding Business Day.

7.8 Governing Law; Arbitration. This Contract will be governed by and interpreted in accordance with the laws of the State of California without regard to any conflict of laws principles. In the event of any dispute concerning the validity, interpretation, enforcement or breach of this Contract, the Parties unconditionally and irrevocably agree that the dispute will be resolved by arbitration (and accordingly they hereby consent to personal jurisdiction over them) in San Francisco, California, in accordance with JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The arbitration will be heard and determined by a single arbitrator. The arbitrator's decision in any such arbitration will be final and binding upon the Parties and may be enforced in any court of competent jurisdiction. The prevailing Party is entitled to recover its attorneys' fees and arbitration costs from the other Party.

7.9 Indemnification. Contractor shall indemnify, hold harmless, defend, or settle, and pay damages awarded pursuant to, any claim, demand, action or other proceeding brought against the Authority, its affiliates, or any of its officers, directors, employees, representatives, and agents (collectively, the "Indemnified Parties"), to the extent that such claim, demand, action, or other proceeding (collectively, a "Claim") arises out of or relates to any actual or alleged breach of Consultant's representations, warranties, or covenants contained in this Contract or any actual or alleged negligence or willful misconduct arising out of or related to Contractor's performance under this Contract. The parties understand and agree that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

7.9 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered via email, mail or delivery service, addressed to the Appropriate Notice Address as set forth:

7.9.1 The Notice Address of the Authority is:

California Statewide Communities Development Authority

Ms. Catherine Barna

CSCDA Executive Director

1700 North Broadway, Suite 405

Walnut Creek, CA 94596

cbarna@cscda.org

213-700-4137

7.9.2 The Notice Address of the Contractor is:

Urban Futures Bond Administration, Inc.

Raette Frazeur, Vice President

Marshall Linn, CEO

3111 N. Tustin Ave., Suite 110

Orange, CA 92865

raette@ufbahc.com

marshall@ufbahc.com

(714) 332-1000

7.10 Assignment. Neither Party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other Party.

7.11 Independent Contractors. Contractor, on the one hand, and Authority, on the other, are independent contractors, and nothing in this Contract shall be deemed or construed to create, or have been intended to create a partnership, joint venture, employment, or agency relationship between the Parties. Contractor, on the one hand, and Authority, on the other, do not possess (and will not give the appearance or impression of possessing) the legal authority to bind or commit the other Party in any way.

7.12 Severability. If any provision of this Contract is held unlawful or invalid by court or administrative decision, it shall be deemed severable and such unlawfulness or invalidity shall not in any way affect any other provision of this Contract which can be given effect without the unlawful or invalid provision.

7.13 Waiver. Any failure of a Party to enforce, for any period of time, any of the provisions under this Contract shall not be construed as a waiver of such provisions or of the right of said Party thereafter to enforce each and every provision under this Contract.

7.15 Drafting. In the event of a dispute between any of the Parties hereto over the meaning of this Contract, all Parties shall be deemed to have been the drafter hereof, and any applicable law that states that contracts are construed against the drafter shall not apply.

7.16 Entire Agreement. This Contract, including any Exhibits attached hereto, constitutes the entire agreement and understanding between the Parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and contracts (written or oral).

[Remainder of Page Intentionally Left Blank – Signatures Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed by their duly authorized representatives as of the date set forth below.

“AUTHORITY”

California Statewide Communities Development Authority

Cathy Barna, Executive Director

“CONTRACTOR”

Urban Futures Bond Administration, Inc.

Marshall F. Linn, CEO/President

Exhibit “A”

SCOPE OF SERVICES

This Scope of Services encompasses the California Statewide Communities Development Authority's (CSCDA) current portfolio reporting to California Debt Limit Allocation Committee (CDLAC) based on State requirements.

CDLAC REPORTING AND DOCUMENT RETENTION

TASK 1 – Manage Current Portfolio Data and Documents via On-Line Monitoring System:

- Maintain project information for each existing project to include:
 - Project Name
 - Address
 - Total Units
 - Restricted Units
 - Contact Information
 - Owner
 - Property Manger
 - Trustee
 - CSCDA/CDLAC Identification Numbers
 - Resolution/Covenant Start/End Dates
 - Bond Covenant Requirements
 - AMI Limits
 - Set-Aside Restrictions
- Collect and retain CDLAC form “Certification of Compliance I”
 - CDLAC “Certification of Compliance I” to be collected from sponsor on an annual basis
 - UFBA to send reminder notice 60 days prior to collection due date
 - Reminder notice out November 1st
 - Collection due date December 31st
 - Late notice out January 1st with extended date of January 15th
 - Follow-up phone calls
 - UFBA to make follow-up calls to projects if documentation not received by the extended due date
 - Confirm certification is completed accurately and in its entirety
 - UFBA’s on-line system will provide access to electronic certification form
 - All certifications to be retained electronically and filed by project
- Collect and retain Certificate of Continuing Program Compliance
- Maintain CSCDA Project Agreements, Resolutions and other pertinent documentation
 - Documents to be organized in a comprehensive electronic filing system by project

Exhibit “A”

SCOPE OF SERVICES (continued)

TASK 2 – CDLAC Annual Reporting:

- Verify CSCDA projects listed on CDLAC’s “Annual Applicant Public Benefits and Ongoing Compliance Self-Certification System” for annual reporting
- Complete and submit Issuer’s electronic “Annual Applicant Public Benefits and Ongoing Compliance Self-Certification” form for each project listed via CDLAC on-line reporting system”
 - Note: the completion of this electronic certification form is based on the successful collection of the Sponsor’s (Owner) “Certification of Compliance I” form
 - Obtain copy of “Confirmation Submission” to be filed with project documents

Exhibit "B"

FEE SCHEDULE

The Scope of Services will be performed by UFBA based on the following fee schedule. Hourly rates will be applied only to services performed outside of the Scope of Services, as requested in writing by the Authority:

Reporting Services

PER PROJECT FEE SCHEDULE	
	PER PROJECT RATE
TASKS 1 – 2 CDLAC Reporting and Documentation Retention	\$ 325

Hourly Rates:

Management	\$ 185
Compliance Lead	\$ 100
Compliance Specialist	\$ 75
Compliance Assistant	\$ 50

PAYMENT SCHEDULE – 1/12th of the annualized fees will be paid on a per Project basis, monthly in arrears for services performed.



CSCDC
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT CORPORATION



California State Association of Counties



LEAGUE OF
CALIFORNIA
CITIES

MEETING AGENDA

September 15, 2022

2:00 PM or upon adjournment of the CSCDA Meeting

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Members of the California Statewide Communities Development Corporation or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. If you experience technical problems with the telephonic meeting, please contact info@cscda.org or 1-800-531-7476 for assistance. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.

1. Roll Call.

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

2. Consideration of the Minutes of the September 1, 2022 Meeting.

3. Public Comment.

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 \$8,500,000 in qualified low-income community investments by CSCDC 17 LLC to GANAS, LLC (Fireclay Tile Company), unincorporated County of San Benito, California.

5. Executive Director Update.

6. Staff Updates.

7. Adjourn.



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

September 1, 2022

2:00 p.m. or upon adjournment of the CSCDA CIA Meeting

Board President Tim Snellings called the meeting to order at 2:27 pm.

1. Roll Call.

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

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

2. Consideration the Minutes of the August 4, 2022 Regular Meeting.

The Board of Directors approved the Minutes of the August 4, 2022.

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

3. Consent Calendar,

The Board 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).

Motion to approve by B. Stiger. Second by B. Moura. 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 2:28 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation



Agenda Report

DATE: September 15, 2022

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PURPOSE: Approve the Making of up to \$8,500,000 in Qualified Low Income Community Investments by CSCDC 17 LLC to GANAS, LLC (Fireclay Tile Company), unincorporated County of San Benito, California

SPONSOR BACKGROUND:

Fireclay Tile, Inc., a California corporation (“Fireclay”), is a tile manufacturing firm located in Aromas, California. The company’s mission is: “Do good by crafting products intentionally, transparently and collaboratively. We are the makers who support the doers.” The company has operated out of its Aromas headquarters since it was first established in 1986. Its current tile manufacturing facility is approximately 30,000 SF. The firm brought in new leadership in 2009, and then in 2014 transformed from a wholesale manufacturer to a vertically integrated tile brand that works directly with architects, designers, brands, contractors, installers, and homeowners. This change has led to tremendous growth: revenues have increased 20x since 2009 to \$30MM/year, and employment has grown from 20 to over 200. The company requires immediate expansion in order to meet its significant growing demand. Fireclay is a certified Benefit Corporation (B-Corp), the first tile company to be certified. As a B-Corp., Fireclay is evaluated on four main impact areas – environment, employees, community, and governance.

PROJECT OVERVIEW:

Fireclay has requested that CSCDC provide up to \$8,500,000 in New Markets Tax Credit (NMTC) expand and enhance its manufacturing facility through construction of two new buildings, renovation of existing buildings, purchase and installation of tile manufacturing equipment, and extensive infrastructure work and site improvements (the “Project”). The Project will expand Fireclay’s current facility from a 5-acre site with 33,522 SF of manufacturing and office space, into an 8-acre, multi-building complex with nearly 80,000 SF of production, storage, headquarters, and training spaces.

COMMUNITY OUTCOMES:

Construction Jobs

- The project is expected to result in **33 FTE construction jobs**.
- 100% of the construction jobs are expected to provide a living wage.
- Approximately 90% of the construction jobs are expected to be accessible to low-income persons and individuals with lower levels of formal education.
- Approximately 70% of the contractors/sub-contractors are expected to be minority-owned businesses, and approximately 95% of the construction workers are expected to be people of color.

Permanent Jobs

- The Project is expected to result in a total of **459 FTE permanent jobs**. 231 of these are “retained” jobs (jobs that currently exist at the facility) and 229 will be new permanent jobs associated with the facility expansion.

Quality Jobs

- As a certified B-Corp, Fireclay is committed to investing in its people. All Fireclay employees working at least 30 hours per week receive company benefits. 99% of employees work at least 30 hours per week.
- Employee benefits include stock ownership, bonuses, health insurance, education reimbursement, retirement contribution, no-interest loans, and vacation time.

Accessible Jobs

- The Project will result in 229 FTE permanent jobs that are accessible to low-income persons and individuals with lower levels of formal education. 100% of the production jobs are accessible to low-income persons and individuals with lower levels of formal education.
- Fireclay provides training for all positions and has a strong track record of promoting from within. Over the last year, 11 out of 17 (65%) of manager or supervisor positions were filled internally. Additionally, 5 out of 6 members of the leadership team came from within the company and were promoted over time.

ADVISORY BOARD APPROVAL:

On March 18, 2022, CSCDC’s Advisory Board unanimously recommended approval of the Project.

FINANCE TEAM:

- | | |
|------------------------|--------------------|
| • Tax Credit Investor: | JP Morgan Chase |
| • Investor Counsel: | Buchalter, LLP |
| • CSCDC Counsel: | Nixon Peabody, LLP |

ESTIMATED SOURCES AND USES:

Sponsor							
Sources				Uses			
Santa Cruz County Bank Term Loan	\$	14,000,000		Leverage Loan	\$	17,352,900	
Sponsor Equity	\$	4,087,746		Cash Contribution to QALICB	\$	734,846	
				SCCB Costs	\$	-	
Total	\$	18,087,746		Total	\$	18,087,746	
Investment Fund							
Sources				Uses			
Leverage Loan	\$	17,352,900		CSCDC QEI	\$	8,500,000	
NMTC Equity	\$	6,782,100		CSCDC Upfront Fee	\$	425,000	
				NMCC QEI	\$	12,000,000	
				NMCC Upfront Fee	\$	210,000	
				Chase QEI	\$	3,000,000	
Total	\$	24,135,000		Total	\$	24,135,000	
CSCDC Sub CDE							
Sources				Uses			
QEI	\$	8,500,000		QLICI A	\$	6,471,900	
				QLICI B	\$	2,028,100	
Total	\$	8,500,000		Total	\$	8,500,000	
NMCC Sub CDE							
Sources				Uses			
QEI	\$	12,000,000		QLICI A	\$	8,746,800	
				QLICI B	\$	3,013,200	
				Upfront Fee	\$	240,000	
Total	\$	12,000,000		Total	\$	12,000,000	
Chase Sub-CDE							
Sources				Uses			
QEI	\$	3,000,000		QLICI A	\$	2,134,200	
				QLICI B	\$	865,800	
Total	\$	3,000,000		Total	\$	3,000,000	
QALICB							
Sources				Uses			
CSCDC QLICI A	\$	6,471,900		Acquisition	\$	1,540,000	
CSCDC QLICI B	\$	2,028,100		Hard Costs	\$	20,237,602	
BCCC QLICI A	\$	8,746,800		Soft Costs	\$	1,022,344	
BCCC QLICI B	\$	3,013,200		NMTC Costs	\$	1,694,900	
Chase QLICI A	\$	2,134,200					
Chase QLICI B	\$	865,800					
SCCB Direct Loan	\$	500,000					
Sponsor Contribution	\$	734,846					
Total	\$	24,494,846		Total	\$	24,494,846	

DOCUMENTS:

1. Resolutions (Attachment A)

ACTIONS RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

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

ATTACHMENT A

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

At a meeting duly called on [_____, 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 Sub-CDE (defined below), does hereby adopt the following resolutions:

WHEREAS, the Allocatee and CSCDC 17 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, the Allocatee was certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a CDE, and the Allocatee submitted a 2020 New Markets Tax Credit Allocation Application (the “Application”); and

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

WHEREAS, the 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, the Allocatee, as managing member, and CSCDC Manager, LLC, as the non-member manager, entered into that certain operating agreement of Sub-CDE effective as of September 13, 2021 (the “Initial Sub-CDE Operating Agreement”) to govern Sub-CDE; and

WHEREAS, pursuant to a Sub-Allocation Agreement, by and between the Allocatee and Sub-CDE, the Allocatee will sub-allocate a \$8,500,000 portion of the Allocation to Sub-CDE (the “Sub-Allocation”); and

WHEREAS, the Allocatee and Chase NMTC Fireclay Investment Fund, LLC, a Delaware limited liability company (the “Investor Member”) seek to amend and restate the Initial Sub-CDE Operating Agreement (as amended and restated, the “A&R Sub-CDE Operating Agreement”) pursuant to which the Investor Member will make an equity investment in Sub-CDE by making a capital contribution in an amount

equal to \$8,500,000 in return for a 99.99% equity interest in Sub-CDE (the “CDE Investment”); and

WHEREAS, the CDE Investment will be designated as a “qualified equity investment” as such term is defined in Section 45D of the Code (the “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 GANAS, LLC, a California limited liability company (“QALICB”), in the approximate amount of \$8,500,000 (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) (a “QLICI”) 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 the 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 Jonathan Penkower (the “Authorized Signatory”) be, and hereby is, authorized, empowered and directed, to execute, deliver and perform any Transaction Document for or in the name of the Allocatee and on behalf of the Allocatee as managing member of Sub-CDE, and with such changes, variations, omissions and insertions as he shall approve, the execution and delivery thereof by him to constitute conclusive evidence of such approval; and be it further

RESOLVED, that the Authorized Signatory, be, and hereby is, 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 opinion, desirable and proper in order to effect the purposes of the foregoing resolution and to cause compliance by the 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 the 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 Signatory, in the name and on behalf of the 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 Signatory, be, and hereby is, 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 the 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 the Allocatee have executed and adopted these Resolutions at its meeting duly called and held on the date first written above, at which a quorum of the Board of Directors was present or represented.

Name: _____

Title: _____

EXHIBIT A

Transaction Documents

1. Indemnification Agreement, by and among the Allocatee, Sub-CDE, and JPMORGAN CHASE BANK, N.A., a national banking association;
2. A&R Sub-CDE Operating Agreement;
3. New Markets Fee and Expense Agreement, by and among QALICB, Fireclay Tile, inc., a California corporation (“Guarantor”), the Allocatee, and Sub-CDE;
4. New Markets Upfront Fee Agreement, by and among Investor Member, the Allocatee, and Sub-CDE;
5. Sub-Allocation Agreement, by and between the Allocatee and Sub-CDE;
6. Loan Agreement, by and between Sub-CDE and QALICB;
7. Community Benefits Agreement, by and among QALICB, Guarantor, and Sub-CDE;
8. Blocked Account Control Agreement (Disbursement Account), by and among Sub-CDE, QALICB, and JPMORGAN CHASE BANK, N.A., a national banking association;
9. Bank Account Pledge Agreement (Disbursement Account), by and between Sub-CDE and QALICB;
10. Blocked Account Control Agreement (Reserve Account), by and among Sub-CDE, QALICB, and JPMORGAN CHASE BANK, N.A., a national banking association;
11. Bank Account Pledge Agreement (Reserve Account), by and between Sub-CDE and QALICB;
12. Construction and Disbursing Escrow Agreement, by and among QALICB, Sub-CDE, and JPMORGAN CHASE BANK, N.A., a national banking association; an
13. Other related documents.