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CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



REGULAR MEETING AGENDA

December 1, 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
____ Brian Moura, Vice Chair
____ Kevin O'Rourke, Secretary
____ Jordan Kaufman, Treasurer
____ Dan Mierzwa, Member

____ Marcia Raines, Member
____ Brian Stiger, Member
____ Niroop Srivatsa, Alt. Member
____ Jim Erb, Alt. Member

2. Consideration of the Minutes of the November 17, 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. 2nd & B LP (2nd & B Street Apartments), City of Oxnard, County of Ventura; issue up to \$3,500,000 in multi-family housing revenue bonds.

6. Consider the following resolutions to initiate proceedings to form a community facilities district within the City of Rohnert Park:
 - a. Resolution approving a joint community facilities agreement and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2022-12 (SOMO Village), City of Rohnert Park, County of Sonoma, State of California, to designate Improvement Area No. 1 therein, and to levy special taxes to finance certain public improvements, certain development impact fees and certain public services, and to identify territory proposed for annexation to the community facilities district in the future and to levy special taxes therein
 - b. Resolution to incur bonded indebtedness to finance certain public improvements and certain development impact fees within California Statewide Communities Development Authority Community Facilities District No. 2022-12 (SOMO Village), City of Rohnert Park, County of Sonoma, State of California and in and for Improvement Area No. 1 designated therein and territory proposed for annexation to the community facilities district in the future and calling for a public hearing
7. Conduct second reading and adoption of “Ordinance Levying a Special Tax for Fiscal Year 2023-2024 and Following Fiscal Years Solely Within and Relating to the CSCDA SCIP CFD No. 2022-11 (Caselman South) County of Sacramento, State of California.”

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

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

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

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 a resolution approving updated forms of a master assignment and assumption agreement, depositary agent agreement and ratifying and confirming the forms of certain other documents to be used in connection with the Counterpointe Sustainable Real Estate PACE program.
3. Consider resolution adding Jennifer Whiting as an authorized signatory.

December 1, 2022



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

November 17, 2022 at 2:00 pm

Commission Vice Chair Brian Moura called the meeting to order at 2:02 pm.

1. Roll Call.

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

Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coopinger, Cal Cities; Perry Stottlemeyer, Cal Cities; Rob Pierce, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; and Trisha Ortiz, Richards Watson, and Nina Bronx, Orrick.

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

The Commission approved the November 3, 2022 Regular Meeting minutes.

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

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consider resolution adding Rob Pierce as an authorized signatory.

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

4. Public Comment.

There was no public comment.

5. Consideration of 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. Gerald Ford Apartments, LP (Gerald Ford Apartments), City of Palm Desert, County of Riverside; issue up to \$60,000,000 in multi-family housing revenue bonds.

The Commission approved the financing for Gerald Ford Apartments.

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

- b. 2nd & B LP (2nd & B Street Apartments), City of Oxnard, County of Ventura; issue up to \$3,500,000 in multi-family housing revenue bonds.

This item was pulled from the agenda.

- c. Fiddymment Affordable Partners, L.P (Hayden Parkway Apartments), City of Roseville, County of Placer; issue up to \$32,000,000 in multi-family housing revenue bonds.

The Commission approved the financing for Fiddymment Affordable Partners.

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

6. Statewide Community Infrastructure Program (SCIP) 2022C:

- a. Consider resolution abandoning proceedings for the following assessment districts:

1. Statewide Community Infrastructure Program Assessment District No. 22-03 (Epoca) City of San Diego, County of San Diego; and
2. Statewide Community Infrastructure Program Assessment District No. 22-03 (Foxboro Knoll) City of Vacaville, County of Solano.

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

- b. Conduct proceedings with respect to the Statewide Community Infrastructure Program (“SCIP”) for certain Assessment Districts (collectively, the “Assessment Districts”) and a Community Facilities District (the “Community Facilities District”) for multiple development projects:

1. Open consolidated Assessment District public hearing.
2. Close consolidated Assessment District public hearing.

Motion to close the public hearing by J. Kaufman. Second by T. Snellings. Unanimously approved by roll-call vote.

c. Conduct following actions with respect to the SCIP Assessment Districts:

1. Open assessment ballots of landowners within the Assessment Districts and announce results.
2. Consideration of resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, confirming the amount of unpaid assessments and directing related actions in relation to the Assessment Districts.

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

d. Conduct following actions with respect to the SCIP Community Facilities District:

1. Consideration of resolution of formation establishing the Community Facilities District and providing for the levy of a special tax therein to finance certain public development impact fees.

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

2. Consideration of resolution deeming it necessary to incur bonded indebtedness to finance certain public improvements to be constructed from certain development impact fees to mitigate the impacts of development within the Community Facilities District.

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

3. Consideration of resolution calling special mailed-ballot election within the Community Facilities District.

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

4. Conduct special mailed ballot election for the Community Facilities District.
5. Consideration of resolution declaring results of special mailed-ballot election within the Community Facilities District.

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

6. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2023-2024 and Following Fiscal Years Solely Within and Relating to the CSCDA SCIP CFD No. 2022-11 (Caselman South) County of Sacramento, State of California."

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

- e. Conduct following actions with respect to issuance of SCIP Local Obligations and Revenue Bonds:
 1. Consideration of resolution providing for the issuance of SCIP limited obligation improvement bonds each in one or more series and approving the form and substance of a trust agreement and authorizing related actions.

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

2. Consideration of resolution providing for the issuance of SCIP special tax bonds each in one or more series and approving the form and substance of a trust agreement and authorizing related actions.

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

3. Consideration of resolution authorizing the issuance, sale and delivery of not to exceed \$21 million of SCIP Revenue Bonds, Series 2022C and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure certificate, an official statement, and authorizing certain other actions in connection therewith.

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

7. Closed Session.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9 of the California Government Code)

Name of Case: Rosebrook 58, LLC v. California Statewide Communities Development Authority (Contra Costa County Superior Court Case No. C-22-00991)

This item will be continued on December 15, 2022.

8. Quarterly Financial Review (Informational Item).

Executive director Barna review the FY 2022-23 Q1 financial reports.

9. Executive Director Update.

Executive Director Barna reported that the CSAC Annual meeting in Anaheim was a success.

She announced that a staff holiday lunch is being planned in Sacramento for mid- February. More details will follow.

10. Staff Update.

Staff wished the Commission Happy Holidays.

11. Adjourn.

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

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 1, 2022 at 2:00 p.m.



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Agenda Item No. 3

Agenda Report

DATE: December 1, 2022
TO: CSCDA COMMISSIONERS
FROM: Cathy Barna, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

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).

BACKGROUND AND SUMMARY:

This item is being presented in order to allow CSCDA's Commission and other legislative bodies to meet virtually pursuant to Assembly Bill ("AB") 361. These special provisions in the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963) give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or when the legislative body determines in-person meetings would present imminent risks to the health and safety of attendees.

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. The Governor subsequently issued numerous executive orders suspending or modifying state laws to facilitate the response to the emergency. Among other things, these executive orders superseded certain Brown Act requirements and established special rules to give local public agencies greater flexibility to conduct teleconference meetings, including authorizing legislative bodies to participate in meetings from remote locations without compliance with certain noticing requirements.

On September 16, 2021, in anticipation of the then-imminent expiration of his special rules for teleconference meetings, the Governor signed AB 361 to amend Section 54953 of the Brown Act. Pursuant to Government Code Section 54953(e), legislative bodies of local agencies may hold public meetings via teleconferencing without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

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

CSCDA previously determined that as a result of the emergency, meeting in person presents imminent risks to the health or safety of attendees and has been conducting its meetings via teleconferencing under Government Code Section 54953(e).

To continue meeting remotely pursuant to Government Code Section 54953(e), an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

The factual circumstances exist for CSCDA to continue holding remote meetings under AB 361. The proclaimed state of emergency in response to the COVID-19 pandemic, which Governor Newsom declared on March 4, 2020, continues to exist. Also, the U.S. Centers for Disease Control and Prevention ("CDC") continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time. COVID-19 can cause severe illness and hundreds of thousands of people have died from COVID-19 in the United States. The CDC advise that even for fully vaccinated people, breakthrough infections are likely to occur. The CDC continue to advise people to avoid crowded indoor places, which put people at higher risk for COVID-19 infection. Therefore, holding meetings via teleconferencing pursuant to Government Code Section 54953(e) will reduce the likelihood of exposure to COVID-19.

RECOMMENDATION:

To continue conducting open and public meetings via teleconferencing in accordance with Government Code Section 54953(e) of the Brown Act, the Commission finds that it has reconsidered the circumstances of the COVID-19 state of emergency and that the state of emergency continues to directly impact the ability of its members to meet safely in person, and the Commission directs staff to take all actions necessary to allow the legislative bodies of CSCDA to conduct meetings via teleconferencing during the emergency.

2. Consideration of a resolution approving updated forms of a master assignment and assumption agreement, depositary agent agreement and ratifying and confirming the forms of certain other documents to be used in connection with the Counterpointe Sustainable Real Estate PACE program.

Counterpointe is a CSCDA Open PACE commercial PACE provider. They have requested updates to the form documents including changing their trustee to Wilmington Trust. Orrick, Herrington & Sutcliffe as PACE counsel have drafted the new forms. Recommend approval.

3. Consider resolution adding Jennifer Whiting as an authorized signatory.

Jennifer Whiting is the Education and Member Services Director at the League of California Cities.

Documents: https://www.dropbox.com/sh/qyvkskrai0kiaf6/AAC_Q_q7zFd8EcyWW_EpnULFa?dl=0



Agenda Item No. 5a

Agenda Report

DATE: December 1, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: 2nd & B Street Apartments

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

AMOUNT: Not to Exceed \$3,500,000

EXECUTIVE SUMMARY:

On June 3, 2022, CSCDA issued \$19,120,034 in multi-family housing revenue bonds for 2nd & B Street Apartments (the “Project”), a 56-unit rental affordable housing project located in the City of Oxnard (the “City”), to be owned by 2nd & B LP. 100% of the units will be rent restricted for extremely low-income tenants. The Project requires supplemental CSCDA issued tax-exempt bonds in order to remain in compliance with CDLAC’s 50% test, which requires that at least 50% of the project costs be financed with tax-exempt bonds. The additional tax-exempt bonds will refinance a like amount of previously issued taxable bonds.

PROJECT DESCRIPTION:

- Construction of a 56-unit affordable rental housing facility located at 241 West 2nd Street in the City of Oxnard.
- One five-story building located on a 0.48-acre site.
- Consists of 43 one-bedroom units, 12 two-bedroom units, and one manager’s unit.
- Property includes an outdoor kitchen, community room, computer area, large gathering spaces, and offices for supportive services.

PROJECT ANALYSIS:

Background on Applicant:

Community Development Partners (CDP) develops and operates sustainable, life-enhancing affordable housing with a focus on long term community engagement. CDP is a leader of transformative change – responsible for creating life-enhancing affordable development projects that adhere to strict standards of environmentally, socially and economically responsible buildings

and communities. CDP's mission is to repair and strengthen the fabric of cities and towns by meeting the housing needs of local citizens through the thoughtful planning and development of affordable communities. CDP is dedicated to providing the highest quality life-enhancing housing for qualifying low-income residents. Founded in 2012, CDP's multi-disciplinary team is comprised of real estate development experts who contribute diverse backgrounds in both affordable and market-rate development. Its goal is to weave a sense of community into each of the projects completed. The Project is CDP's 10th financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: April 5, 2022 – City of Oxnard

CDLAC Approval: August 30, 2022

Public Benefits:

- 100% of the units will be rent restricted to extremely low-income individuals & those experiencing homelessness for 55 years.
 - 100% (55 units) restricted to 30% or less of area median income households.
 - One Manager's unit.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 1,900,000
Total Sources:	\$ 1,900,000

Uses of Funds:

Refinance Taxable Bonds:	\$ 1,900,000
Total Uses:	\$ 1,900,000

Finance Partners:

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

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

Private Placement Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: December 6, 2022

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

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

ATTACHMENT A

RESOLUTION NO. 22H- __

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT GENERALLY KNOWN AS 2ND & B APARTMENTS; AUTHORIZING THE MODIFICATION OF CERTAIN DOCUMENTS ASSOCIATED WITH THE PRIOR ISSUANCE OF A MULTIFAMILY HOUSING REVENUE NOTE FOR 2ND & B 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 SUCH NOTES.

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

WHEREAS, the Authority previously executed and delivered its Multifamily Housing Revenue Note (2nd & B Apartments) 2022 Series H (the “Prior Note”) in the aggregate face amount (maximum principal amount) of \$19,110,034 to assist in financing the acquisition and construction of a 56-unit (including one manager’s unit) multifamily housing rental development located in the City of Oxnard, California (the “City”), and to be known as 2nd & B Apartments (the “Project”);

WHEREAS, concurrently with the execution and delivery of the Prior Note, Citibank, N.A. executed its subordinate taxable loan in the aggregate principal amount of \$11,889,966 (the “Citi Loan”) to assist in providing financing for the Project;

WHEREAS, 2nd & B LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its Multifamily Housing Revenue Note (2nd & B Apartments) 2022 Series T (the “Note”) to assist in providing additional financing for the Project and make certain modifications to the Prior Note and the Citi Loan in connection therewith, including, but not limited to, the payment of the Note, co-equal in priority and pari passu to the liens associated with the Prior Note, the cross-default of the Note, the Prior Note and the Citi Loan, and the reduction of the aggregate principal amount of the Citi Loan by an amount equal to the aggregate face amount (maximum principal amount) of the Note;

WHEREAS, on August 30, 2022, the Authority received a private activity bond volume cap allocation in the amount of \$845,855 from the California Debt Limit Allocation Committee (“CDLAC”), and on November 8, 2022, the Authority received a supplemental allocation in the amount of \$1,065,148 from CDLAC (collectively, the “Allocation Amount”) in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$2,500,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing additional financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and moderate income persons;

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

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note in accordance with the Authority’s private placement policies; and

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

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

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

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

(4) First Amendment to Funding Loan Agreement (the “First Amendment to Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority and related to the Prior Note;

(5) Omnibus Amendment and Reaffirmation Agreement (the “Omnibus Amendment”) to be entered into among the Borrower, the Funding

Lender, Community Development Partners, a California corporation, as guarantor, and the Authority, and related to the Prior Note; and

(6) Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower with respect to the Note.

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (2nd & B Apartments) 2022 Series T” including, if and to the extent necessary, one or more series or sub-series with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$2,500,000; provided that the aggregate principal amount of any federally tax-exempt obligations shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

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

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

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

Section 7. The Omnibus Amendment 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 Omnibus Amendment, 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 8. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 9. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note and the modification of the Prior Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsement, allonge or assignment of any note, any modification agreements and amendments with respect to the Prior Note and such other documents as described in the Funding Loan Agreement and the First Amendment to Funding Loan Agreement, and the other documents herein approved, and any documents or amendments which may be necessary to terminate any prior documents or instruments, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and the modification of the Prior Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this

resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 11. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and the other documents approved herein.

Section 12. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 1, 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 December 1, 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: 2nd & B LP
2. Authority Meeting Date: 12/1/22
3. Name of Obligations: 2nd & B Apartments
4. X Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A)] The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.86%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$447,643.35.
 - (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: \$20,573,393.65.
 - (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): \$30,139,683.87
5. The good faith estimates [provided above / attached as Schedule A] were presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a

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

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

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

Dated: 12/1/22



Agenda Item No. 6

Agenda Report

DATE: December 1, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: SOMO Village (City of Rohnert Park) – Community Facilities District

PURPOSE: Consider the following resolutions to initiate proceedings to form a community facilities district within the City of Rohnert Park:

- a. Resolution approving a joint community facilities agreement and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2022-12 (SOMO Village), City of Rohnert Park, County of Sonoma, State of California, to designate Improvement Area No. 1 therein, and to levy special taxes to finance certain public improvements, certain development impact fees and certain public services, and to identify territory proposed for annexation to the community facilities district in the future and to levy special taxes therein
- b. Resolution to incur bonded indebtedness to finance certain public improvements and certain development impact fees within California Statewide Communities Development Authority Community Facilities District No. 2022-12 (SOMO Village), City of Rohnert Park, County of Sonoma, State of California and in and for Improvement Area No. 1 designated therein and territory proposed for annexation to the community facilities district in the future and calling for a public hearing

EXECUTIVE SUMMARY:

The action requested today is the initial step in the formation of the SOMO Village Community Facilities District (CFD) located in Rohnert Park, California (the “City”). The CFD is being formed to finance public facilities, impact fees and services for the City. The City approved the formation of the CFD by CSCDA.

BACKGROUND:

SOMO Village is the redevelopment of a set of buildings previously owned by Hewlett-Packard and Agilent Technologies that were vacated when the companies moved their operations off-shore. SOMO Living (the “Developer”) determined to repurpose the campus into a place for a lively and sustainable community in the City.

The Developer is involved in real estate development, property management and construction. Holdings include retail space in Rohnert Park. The Developer also had other investments in natural-foods, technology and alternative-energy companies.

The development plans for SOMO Village are approved for 1,750 homes of all sizes, including 254 affordable units. Our homes will incorporate the latest technology in a walkable community of interconnected streets, parks, art, co-working space and easy transportation. The Developer will construct the infrastructure for the SOMO Village, and ultimately sell the lots to merchant builders to construct and sell the homes.

Attachment A is list of the of the public improvements, impacts and services to be financed. Attachment B is a rendering of SOMO Village.

The financing is estimated to not exceed \$7,000.000 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 Developer anticipates issuing multiple phases of bonds to complete the infrastructure. Improvement Area No. 1 will be the first phase for this project.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends approving the following resolutions:

1. Resolution approving a joint community facilities agreement and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2022-12 (SOMO Village), City of Rohnert Park, County of Sonoma, State of California, to designate Improvement Area No. 1 therein, and to levy special taxes to finance certain public improvements, certain development impact fees and certain public services, and to identify territory proposed for annexation to the community facilities district in the future and to levy special taxes therein;
2. Resolution to incur bonded indebtedness to finance certain public improvements and certain development impact fees within California Statewide Communities Development Authority Community Facilities District No. 2022-12 (SOMO Village), City of Rohnert Park, County of Sonoma, State of California and in and for Improvement Area No. 1 designated therein and territory proposed for annexation to the community facilities district in the future and calling for a public hearing on January 5, 2023.

Documents: https://www.dropbox.com/sh/jrqbfwp6pnybdpi/AACf-H7ZPK3B4BT6gc_NJuiWa?dl=0

ATTACHMENT A

Type of Facilities To Be Financed by the Proposed Community Facilities District

Roadway and Transportation Improvements

Facilities that may be financed by and through the proposed Community Facilities District include any and all on-site and off-site publicly-owned roadway and transportation facilities required to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: acquisition of land and easements; design; project management; clearing, grubbing, and demolition; grading, soil import/export; paving, and decorative/enhanced pavement concrete and/or pavers; bridge crossings and culverts; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site); enhanced fencing, and access ramps; street lights; intersections, signalization, and traffic signal control systems; bus turnouts and bus shelters; signs and striping; erosion control; median and landscape corridor landscaping and irrigation; masonry walls; traffic control and agency fees; and other improvements related thereto.

Water System Improvements

Facilities that may be financed by and through the proposed Community Facilities District include any and all on-site and off-site backbone water facilities required to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: acquisition of land and easements, groundwater wells, storage tanks, distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, stand-by generator, and other improvements related thereto.

Recycled Water System Improvements

Facilities that may be financed by and through the proposed Community Facilities District include any and all on-site and off-site recycled water system facilities required to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: acquisition of land and easements; recycled water storage, treatment and distribution facilities including pipelines and appurtenances, gate valves, storage tanks, flow meters, booster pump pressurization system, recycled water lines in all City parks, off-site recycled water pump station, and other improvements related thereto.

Storm Drain Improvements

Facilities that may be financed by and through the proposed Community Facilities District include any and all drainage and storm drain improvements required to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: acquisition of land and easements; design; project management; mains, pipelines and appurtenances; outfalls and water quality measures; temporary drainage facilities;

detention/retention basins and drainage pretreatment facilities; drainage ways/channels; pump stations; landscaping and irrigation; access roads, gates, and fencing; striping and signage; and other improvements related thereto where required.

Sewer Improvements

Facilities that may be financed by and through the proposed Community Facilities District include on-site and off-site facilities required to meet the conveyance needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: acquisition of land and easements; design; project management; pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor control facilities; sewer treatment plant improvements; and other improvements related thereto.

Parks, Trails, Landscaping, and Open Space Improvements

Facilities that may be financed by and through the proposed Community Facilities District include on-site and off-site park, trail, landscaping and open space facilities required to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: acquisition of land and easements; design; project management; grading; turf and irrigation; trees and shrubs; sidewalks pathways and trails; masonry sound walls; sports fields, sport courts, playground equipment, picnic areas, benches, drinking fountain and bathrooms; other related hard and soft-scape improvements along roadways and adjacent to or within parks, open space, drainage channels and detention basins; bike trails, bike/pedestrian bridges; storm drain crossings; publicly-owned improvements required for wetland mitigation, tree mitigation, off-site hawk mitigation, and/or agricultural mitigation; landscaping and irrigation, access gates and fencing and related open space improvements.

Private Utility Facilities

Facilities that may be financed by and through the proposed Community Facilities District include any and all utility facilities designed to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: natural gas distribution, electrical distribution, telephone, cable television, and other Private Utility Facilities as Authorized by the Mello-Roos Act.

Other Public Improvements

Any and all other public improvements authorized under the Mello-Roos Community Facilities Act of 1982 and otherwise necessary to meet the needs of development within the Community Facilities District.

Impact Fees

The Community Facilities District may also finance any fees payable to the City, the proceeds of

which will be used to fund all or a portion of the cost of any Facilities described above, including but not limited to:

1. Roadway Impact Fees (Bodway Parkway and Camino Colegio)

Type of Services To Be Financed by the Proposed CFD

The services authorized to be funded by the Community Facilities District and paid by the special taxes levied within the Community Facilities District (the “Services”) are described below. For purposes of the Community Facilities District, the Services shall incorporate and have the meaning given to the term “services” in section 53313 of the Mello-Roos Community Facilities Act of 1982.

Maintenance and lighting of parks, parkways, streets, roads, and open space, including without limitation:

- Roadway maintenance,
- Streetlight maintenance and operations,
- Traffic signal maintenance and operations,
- Parks, waterfront and Bay Trail maintenance,
- Landscaping, parkway, median and open space maintenance, including erosion prevention,
- Public surface parking maintenance, and
- Operation and maintenance of public restroom buildings,

The cost of the Services shall include all related administrative costs and expenses, necessary utility (water and electricity) costs, and related reserves for replacement of vehicles, equipment and facilities.

ATTACHMENT B



Agenda Item No. 7

Agenda Report

DATE: December 1, 2022

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Conduct second reading and adoption of “Ordinance Levying a Special Tax for Fiscal Year 2023-2024 and Following Fiscal Years Solely Within and Relating to the CSCDA SCIP CFD No. 2022-11 (Caselman South) County of Sacramento, State of California.”

BACKGROUND AND SUMMARY:

The action requested today by the Commission is the last step in connection with the Caselman South Community Facilities District (CFD) project expected to be included in the SCIP 2022C pool. The public hearing and first reading of the ordinance was held on November 17, 2022.

Project Summary:

- 90 single-family homes to be located in the County of Sacramento.
- Beazer Homes is the developer.
- Approximately \$2.2MM in roadway, sewer and sanitation fees are proposed to be financed.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends the Commission conduct the second reading by title only and adopt the “Ordinance Levying a Special Tax for Fiscal Year 2023-2024 and Following Fiscal Years Solely Within and Relating to the CSCDA SCIP CFD No. 2022-11 (Caselman South) County of Sacramento, State of California.”

Documents: <https://www.dropbox.com/s/f9o18kd4rvqsbqy/SCIP%202022C%20-%20Ordinance%20Levying%20the%20Special%20Tax%20-%20Caselman%20South%20CFD%204136-3645-1906%202.doc?dl=0>



REGULAR MEETING AGENDA

December 1, 2022

2:00 PM or upon adjournment of the CSCDA meeting

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

1. Roll Call.

_____ 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 November 3, 2022 Regular Meeting.

3. Consent Calendar.

4. Public Comment.

5. Executive Director Update.

6. Staff Updates.

7. Adjourn.

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

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).

December 1, 2022



MINUTES

REGULAR MEETING OF THE CSCDA COMMUNITY IMPROVEMENT AUTHORITY

November 3, 2022

2:00 PM or upon adjournment of the CSCDA meeting

Commission Chair Tim Snellings called the meeting to order at 2:11 pm.

1. Roll Call.

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

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

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

The Commission approved the Minutes of the October 6, 2022 meeting.

Motion to approve by B. Stiger. Second by D. Mierzwa. 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).

Motion to approve by J. Kaufman. Second by K. O'Rourke. 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 2:13 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

Agenda Report

DATE: December 1, 2022
TO: CSCDA CIA COMMISSIONERS
FROM: Cathy Barna, Executive Director
PURPOSE: 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).**

BACKGROUND AND SUMMARY:

This item is being presented in order to allow CSCDA CIA's Commission and other legislative bodies to meet virtually pursuant to Assembly Bill ("AB") 361. These special provisions in the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963) give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or when the legislative body determines in-person meetings would present imminent risks to the health and safety of attendees.

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. The Governor subsequently issued numerous executive orders suspending or modifying state laws to facilitate the response to the emergency. Among other things, these executive orders superseded certain Brown Act requirements and established special rules to give local public agencies greater flexibility to conduct teleconference meetings, including authorizing legislative bodies to participate in meetings from remote locations without compliance with certain noticing requirements.

On September 16, 2021, in anticipation of the then-imminent expiration of his special rules for teleconference meetings, the Governor signed AB 361 to amend Section 54953 of the Brown Act. Pursuant to Government Code Section 54953(e), legislative bodies of local agencies may hold public meetings via teleconferencing without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

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

CSCDA CIA previously determined that as a result of the emergency, meeting in person presents imminent risks to the health or safety of attendees and has been conducting its meetings via teleconferencing under Government Code Section 54953(e).

To continue meeting remotely pursuant to Government Code Section 54953(e), an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

The factual circumstances exist for CSCDA CIA to continue holding remote meetings under AB 361. The proclaimed state of emergency in response to the COVID-19 pandemic, which Governor Newsom declared on March 4, 2020, continues to exist. Also, the U.S. Centers for Disease Control and Prevention ("CDC") continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time. COVID-19 can cause severe illness and hundreds of thousands of people have died from COVID-19 in the United States. The CDC advise that even for fully vaccinated people, breakthrough infections are likely to occur. The CDC continue to advise people to avoid crowded indoor places, which put people at higher risk for COVID-19 infection. Therefore, holding meetings via teleconferencing pursuant to Government Code Section 54953(e) will reduce the likelihood of exposure to COVID-19.

RECOMMENDATION:

To continue conducting open and public meetings via teleconferencing in accordance with Government Code Section 54953(e) of the Brown Act, the Commission finds that it has reconsidered the circumstances of the COVID-19 state of emergency and that the state of emergency continues to directly impact the ability of its members to meet safely in person, and the Commission directs staff to take all actions necessary to allow the legislative bodies of CSCDA CIA to conduct meetings via teleconferencing during the emergency.



MEETING AGENDA

December 1, 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.

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 November 17, 2022 Meeting.

3. Consent Calendar.

4. Public Comment.

5. Consideration of audited financial statements for fiscal years ending June 30, 2021 and June 30, 2022.

6. Executive Director Update.

7. Staff Updates.

8. Adjourn.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

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).

December 1, 2022



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

November 17, 2022

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

Board Vice President Brian Moura called the meeting to order at 2:31pm.

1. Roll Call.

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

Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coopinger, Cal Cities; Perry Stottlemeyer, Cal Cities; Rob Pierce, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; and Trisha Ortiz, Richards Watson, and Nina Bronx, Orrick.

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

The Board of Directors approved the Minutes of the November 3, 2022.

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

3. Public Comment.

There was no public comment.

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

The Board approved the execution of an Allocation Agreement with the CDFI Fund to Receive \$55,000,000 in New Markets Tax Credits

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

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

Agenda Report

DATE: December 1, 2022

TO: CSCDC BOARD MEMBERS

FROM: Cathy Barna, Executive Director

PURPOSE: 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).**

BACKGROUND AND SUMMARY:

This item is being presented in order to allow CSCDC's Board of Directors and other legislative bodies to meet virtually pursuant to Assembly Bill ("AB") 361. These special provisions in the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963) give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or when the legislative body determines in-person meetings would present imminent risks to the health and safety of attendees.

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. The Governor subsequently issued numerous executive orders suspending or modifying state laws to facilitate the response to the emergency. Among other things, these executive orders superseded certain Brown Act requirements and established special rules to give local public agencies greater flexibility to conduct teleconference meetings, including authorizing legislative bodies to participate in meetings from remote locations without compliance with certain noticing requirements.

On September 16, 2021, in anticipation of the then-imminent expiration of his special rules for teleconference meetings, the Governor signed AB 361 to amend Section 54953 of the Brown Act. Pursuant to Government Code Section 54953(e), legislative bodies of local agencies may hold public meetings via teleconferencing without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

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

CSCDC previously determined that as a result of the emergency, meeting in person presents imminent risks to the health or safety of attendees and has been conducting its meetings via teleconferencing under Government Code Section 54953(e).

To continue meeting remotely pursuant to Government Code Section 54953(e), an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

The factual circumstances exist for CSCDC to continue holding remote meetings under AB 361. The proclaimed state of emergency in response to the COVID-19 pandemic, which Governor Newsom declared on March 4, 2020, continues to exist. Also, the U.S. Centers for Disease Control and Prevention ("CDC") continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time. COVID-19 can cause severe illness and hundreds of thousands of people have died from COVID-19 in the United States. The CDC advise that even for fully vaccinated people, breakthrough infections are likely to occur. The CDC continue to advise people to avoid crowded indoor places, which put people at higher risk for COVID-19 infection. Therefore, holding meetings via teleconferencing pursuant to Government Code Section 54953(e) will reduce the likelihood of exposure to COVID-19.

RECOMMENDATION:

To continue conducting open and public meetings via teleconferencing in accordance with Government Code Section 54953(e) of the Brown Act, the Commission finds that it has reconsidered the circumstances of the COVID-19 state of emergency and that the state of emergency continues to directly impact the ability of its members to meet safely in person, and the Commission directs staff to take all actions necessary to allow the legislative bodies of CSCDC to conduct meetings via teleconferencing during the emergency.



Agenda Report

DATE: December 1, 2022

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of CSCDC audited financial statements for fiscal years ending June 30, 2021 and June 30, 2022

BACKGROUND AND SUMMARY:

Attached for the consideration of the Board are the CSCDC audited financial statements for fiscal year ending June 30, 2021 and June 30, 2022. Novogradac & Company, LLP prepared the reports working with the League of California Cities and CSCDC staff. Highlights from the audited financial statements include the following:

1. **Closing Fees** – CSCDC received \$0 and \$1,525,000, respectively in 2021 and 2022, in closing fees from NMTC transactions.
2. **Asset Management Fees** – CSCDC received \$605,116 and \$468,709, respectively in 2021 and 2022, in asset management fees from previously closed NMTC transactions.
3. **Expenses** – CSCDC incurred a total of \$573,961 and \$1,922,706, respectively in 2021 and 2022, in expenses, comprised primarily of sponsorship fees, legal, accounting, asset management and other professional fees.
4. **Cash Flows** – CSCDC's cash positions were \$326,837 and \$332,710 at the end of 2021 and 2022, respectively.

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

RECOMMENDED ACTION:

CSCDC's Executive Director recommends approval of the 2021 and 2022 audited financial statements.

California Statewide Communities Development Corporation

Financial Statements with Report of Independent Auditors

For the years ended June 30, 2022 and 2021

Report of Independent Auditors

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

Opinion

We have audited the financial statements of California Statewide Communities Development Corporation, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Statewide Communities Development Corporation as of June 30, 2022 and 2021 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Statewide Communities Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California Statewide Communities Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California Statewide Communities Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Statewide Communities Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Novogardac & Company LLP
Dover, Ohio
November 29, 2022

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 331,710	\$ 326,837
Accounts receivable	174	-
Due from related parties	8,444	-
Investments in Community Development Entities	<u>9,521</u>	<u>10,036</u>
Total assets	<u>\$ 349,849</u>	<u>\$ 336,873</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 46,868	\$ 151,175
Reservation fees payable	60,000	-
Deferred income	<u>15,000</u>	<u>29,000</u>
Total liabilities	121,868	180,175
Net assets without donor restrictions	<u>227,981</u>	<u>156,698</u>
Total liabilities and net assets	<u>\$ 349,849</u>	<u>\$ 336,873</u>

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Closing fee income	\$ 1,525,000	\$ -
Asset management fee income	468,709	605,116
Other income	<u>280</u>	<u>17</u>
Total revenue and support	1,993,989	605,133
EXPENDITURES		
Program services	1,867,559	508,111
Administrative and support	<u>55,147</u>	<u>65,850</u>
Total expenditures	1,922,706	573,961
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	71,283	31,172
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR	<u>156,698</u>	<u>125,526</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	<u>\$ 227,981</u>	<u>\$ 156,698</u>

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended June 30, 2022 and 2021

	2022		
EXPENDITURES	Program Services	Administrative and Support	Total
Sponsor fees	\$ 1,375,204	\$ -	\$ 1,375,204
Professional fees	492,355	44,050	536,405
CA taxes and filing fees	-	8,197	8,197
Miscellaneous expenses	-	2,900	2,900
Total expenditures	<u>\$ 1,867,559</u>	<u>\$ 55,147</u>	<u>\$ 1,922,706</u>

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

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets without donor restrictions	\$ 71,283	\$ 31,172
Adjustments to reconcile increase in net assets without donor restrictions to net cash provided by operating activities:		
Increase in due from related parties	(8,444)	-
Increase in accounts receivable	(174)	-
(Decrease) increase in accounts payable and accrued expenses	(104,307)	63,300
Increase in reservation fees payable	60,000	-
Decrease in deferred income	(14,000)	-
Net cash provided by operating activities	4,358	94,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in investments in Community Development Entities	515	3,284
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,873	97,756
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	326,837	229,081
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 331,710	\$ 326,837

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – ORGANIZATION

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

The Organization has been certified by the Community Development Financial Institutions Fund of the U.S. Department of Treasury ("CDFI Fund") as a CDE. As a CDE, the Organization's primary mission is to invest in Subsidiary Allocatees ("Limited Liability Companies") that provide loans, equity investments, or financial services to qualified businesses in Low-Income Communities in the Organization's service area of California. As of June 30, 2022 and 2021, the Organization has received \$198,000,000 and \$143,000,000, respectively, of NMTC investment authority from the CDFI Fund.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

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

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

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Concentration of Credit Risk

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

Income Taxes

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

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

Revenue Recognition

The Organization earns revenue by providing origination, underwriting, asset management, dissolution, and other services to the CDEs and QALICBs which are governed by the related operating and fee agreements. Sub-allocation, origination, and underwriting fees are recognized when QEIs are closed and are recorded as Closing Fee Income on the statement of activities and changes in net assets. Reservation fees for projects are recorded as a liability when received. A reservation fee would be included as revenue if the reservation of NMTC allocation is withdrawn. As of June 30, 2022 and 2021, there have been no instances of non-refundable reservation fees. Asset management fees are recognized as income as the Organization provides the services (generally over a seven-year period).

Investments in Community Development Entities – Equity Method

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

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Community Development Entities – Equity Method (continued)

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

Functional Allocation of Expenses

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

The expenses that are allocated include the following:

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

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events have been evaluated through November 29, 2022, which is the date the financial statements were available to be issued and there are no subsequent events requiring disclosure.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 331,710	\$ 326,837
Due from related parties	8,444	-
Accounts receivable	<u>174</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 340,328</u>	<u>\$ 326,837</u>

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

NOTE 4 – INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES

The Organization owns an interest in the following CDEs as of June 30, 2022 and 2021, which were formed for the purpose of receiving sub-allocations of NMTC authority from the Organization:

<u>CDE</u>	<u>2022</u>	<u>2021</u>
CSCDC 6 LLC	0.00%	0.01%
CSCDC 7 LLC	0.00%	0.01%
CSCDC 8 LLC	0.00%	0.01%
CSCDC 9 LLC	0.01%	0.01%
CSCDC 10 LLC	0.01%	0.01%
CSCDC 11 LLC	0.01%	0.01%
CSCDC 12 LLC	0.01%	0.01%
CSCDC 13 LLC	0.01%	0.01%
CSCDC 14 LLC	0.01%	0.01%
CSCDC 15 LLC	0.01%	0.01%
CSCDC 16 LLC	0.01%	0.00%
CSCDC 17 LLC	0.01%	0.00%
CSCDC 18 LLC	0.01%	0.00%
CSCDC 19 LLC	0.01%	0.00%
CSCDC 20 LLC	0.01%	0.00%

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 4 – INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES (continued)

The investments in the CDEs at June 30, 2022 and 2021 totaled \$9,521 and \$10,036, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

Asset Management Fee Income

The Organization earns quarterly asset management fee income from each of the CDEs, prorated for partial quarters, as compensation for the ongoing administration and management of the CDEs (the “Asset Management Fee Income”). In addition, the CDEs incur certain expenses such as tax preparation fees, corporate filing fees, annual state franchise fees, etc. as discussed in the Fee and Expense Agreements between the QALICBs, CDEs, and the Organization. The Organization pays these expenses on behalf of the CDEs. Pursuant to each of the CDEs’ fee and expense agreements, the Organization is to be reimbursed for these costs (the “Reimbursement Income”). The Asset Management Fee Income and Reimbursement Income are collectively referred to and recorded as Asset Management Fee Income on the statement of activities and changes in net assets. For the years ended June 30, 2022 and 2021, the total Asset Management Fee Income earned from the CDEs was \$468,709 and \$605,116, respectively. As of June 30, 2022 and 2021, total Asset Management Fee Income due from the CDEs was \$8,444 and \$0, respectively. At June 30, 2022 and 2021, the CDEs prepaid \$15,000 and \$29,000, respectively, of Asset Management Fee Income to the Organization and has been included in deferred income on the accompanying financial statements.

NOTE 6 – SPONSOR FEES

The Organization entered into a Services Agreement with Bridge Strategic Partners LLC (“BSP”). Pursuant to the Services Agreement with BSP, the Organization is to pay BSP a sponsor fee for NMTC and management services rendered. The sponsor fee is payable from net proceeds of closing fees received from each CDE and QALICB, less third party expenses as a result of closing each NMTC transaction. The Organization also pays California State Association of Counties (“CSAC”) and League of California Cities (“LCC”) for similar services provided. The sponsor fee is allocated among CSAC, LCC, and BSP (collectively, the “Sponsors”) 20%, 20% and 60%, respectively, for upfront fees and 30%, 30% and 40%, respectively for residual administration fees. For the years ended June 30, 2022 and 2021, the Organization incurred \$1,214,636 and \$200,000, respectively, of sponsor fees. As of June 30, 2022 and 2021, \$0 and \$100,000, respectively, of sponsor fees remained payable to the Sponsors.

Pursuant to the New Markets Tax Credit Services Agreement, New Markets Support Company, LLC (“NMSC”) is to provide management services including ongoing accounting, compliance, and administrative services for each of the CDEs discussed in Note 4. In consideration of the services to be provided by NMSC, the Organization is to pay BSP, who in turn pays NMSC a fee each quarter for each CDE, pro-rated for partial calendar quarters. For the years ended June 30, 2022 and 2021, the Organization incurred \$160,568 and \$237,127, respectively, of additional sponsor fees. At June 30, 2022 and 2021, the amount payable to NMSC was \$46,193 and \$47,500, respectively.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 – NMTC AWARDS ADMINISTERED

Out of \$198M of NMTC allocation authority awarded to the Organization, as of June 30, 2022, \$173.5M was invested in sixteen CDEs and sixteen respective projects with \$24.5M of allocation remaining. The following tables show the total allocation received, total QEIs closed, and total allocation remaining by round for the years ended June 30, 2022 and 2021, respectively:

			QEIs closed	QEIs closed	Total QEIs	Allocation
	Projects	Allocation received	before 6/30/2021	during 7/1/2021 through 6/30/2022	closed through June 30, 2022	remaining as of June 30, 2022
Round 10	4	\$ 35,000,000	\$ 35,000,000	\$ -	\$ 35,000,000	\$ -
Round 11	4	38,000,000	38,000,000	-	38,000,000	-
Round 13	5	70,000,000	70,000,000	-	70,000,000	-
Round 17	3	55,000,000	-	30,500,000	30,500,000	24,500,000
Total	16	\$ 198,000,000	\$ 143,000,000	\$ 30,500,000	\$ 173,500,000	\$ 24,500,000

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

NOTE 8 – VULNERABILITY – IMPACT OF COVID-19

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