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June 15, 2023

CSCDA

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REGULAR MEETING AGENDA

June 15, 2023 at 2:00 PM

**California State Association of Counties
1100 K Street, 1st Floor
Sacramento, CA 95814**

Telephonic Locations:

3252 Southern Hills Drive
Fairfield, CA 94534

32920 Road 140
Visalia, CA 93292

City of Lafayette
3675 Mt. Diablo Blvd., Suite 210
Lafayette, CA 94549

709 Portwalk Place
Redwood City, CA 94065

2030 Fairfield Road
Gettysburg, PA 17325

Members of the public may also observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

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

2. Consideration of the Minutes of the June 1, 2023 Regular Meeting.

3. Consent Calendar.

4. Public Comment.

B. AGENDA ITEMS

5. Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) assessment districts (ADs) and community facilities districts (CFDs) for Series 2023D or a future bond issuance:
 - a. Resolutions of intention in respect of the ADs to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps;
 - b. Resolutions preliminarily approving the engineer's reports in respect of the ADs, setting date for the public hearing of protests and providing for property owner ballots;
 - c. Resolutions approving joint community facilities agreements and declaring intention to establish CFDs, and to levy special taxes therein to finance certain public improvements and fees and to levy special taxes therein; and
 - d. Resolutions to incur bonded indebtedness to finance certain public improvements and fees within the CFDs and calling for a public hearing.
6. Consideration of authorizing the issuance of limited obligation commercial PACE improvement bonds in an aggregate principal amount not to exceed \$230,000,000 to provide financing or refinancing for the installation of improvements on the property located at 300 Lakeside Drive, City of Oakland, County of Alameda.
7. Consideration of program administration agreement with Benefit Street Partners for CSCDA Open PACE.
8. Consideration of program administration agreement extension with Petros PACE Finance.
9. Consideration of JP Morgan as a program administrator for the CSCDA Open PACE program.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.
11. Staff Updates.
12. Adjourn.

NEXT MEETING: Thursday, July 6, 2023 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR

1. Consideration of document amendments relating to Mendota Gardens Apartments extension of maturity.
2. Consider and approve the levy of special taxes for fiscal year 2023-2024 for (i) Community Facilities District No. 2015-02 (Rio Bravo) and (ii) Community Facilities District No. 2018-01 (Wagon Wheel).

June 15, 2023



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

June 1, 2023 at 2:00 pm

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

1. Roll Call.

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

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

2. Consideration of the Minutes of the May 18, 2023 Regular Meeting.

The Commission approved the May 18, 2023 Regular Meeting minutes.

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

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consideration of a Program Administration Agreement with Citizens Business Bank for the OpenPACE program.

2. Consideration of 2023-24 sponsorship of California City Management Foundation (CCMF).

Motion to approve by D. Mierzwa. Second by N. Srivatsa. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

5. Consideration of a resolution and related documents approving the issuance of the CSCDA Community Facilities District 2022-01 (Tirador) Special Tax Bonds, Series 2023, (City of San Juan Capistrano, County of Orange) in an aggregate principal amount not to exceed \$6,500,000.

Motion to approve by D. Mierzwa. Second by N. Srivatsa. Unanimously approved by roll-call vote.

6. Consideration of scholarship award for the Stanford Local Government Summer Institute (LGSi).

Scholarship applications from Masis Hagobian and Christina Windover. Commission Chair Moura announced that a current applicant might have to withdraw from the program. Cal Cities has applicants ready to fill the spot.

Motion to approve by T. Snellings. Second by N. Srivatsa. Unanimously approved by roll-call vote.

7. Executive Director Update.

Executive Director Barna announced that the CSCDA fall meeting will be taking place on November 1-3 at Torrey Pines. Staff will send out a calendar invite.

8. Staff Update.

Staff had no update.

9. Adjourn.

The meeting was adjourned at 2:11 p.m.

Submitted by: Sindy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, June 15, 2023 at 2:00 p.m.



Agenda Item No. 3

DATE: June 15, 2023
TO: CSCDA COMMISSIONERS
FROM: Cathy Barna, Executive Director
PURPOSE: Consent Calendar

1. **Consideration of document amendments relating to Mendota Apartments extension of maturity.**

CSCDA issued bonds in 2005 for Affordable Housing Associates (AHA) relating to a 60-unit affordable housing project in the City of Mendota known as Mendota Gardens Apartments. AHA has requested a 9-month extension of the 7/1/2023 bond maturity date to allow time for USDA loans to be resubordinated in connection with a sale of the project. Sale proceeds will be used to repay the bonds. The CSCDA regulatory agreement relating to affordability will stay in place. Orrick, Herrington & Sutcliffe has reviewed and prepared the documents in relation to the extension. Recommend approval.

2. **Consider and approve the levy of special taxes for fiscal year 2023-2024 for (i) Community Facilities District No. 2015-02 (Rio Bravo) and (ii) Community Facilities District No. 2018-01 (Wagon Wheel).**

CFD No. 2015-02 (Rio Bravo) was established on July 23, 2015 and the special taxes are for public facilities. CFD No. 2015-02 encompasses approximately 46.53 acres. For Fiscal Year 2023-24, one (1) parcel within the district is classified as Developed Property and the remaining eight (8) parcels within the district are classified as Undeveloped Property. Both Developed and Undeveloped Property within the district will be subject to the levy of special taxes.

CFD No. 2018-01 (Wagon Wheel) was established on September 6, 2018 and the special taxes are for both public facilities and public services. CFD No. 2018-01 encompasses approximately 49.75 acres. For Fiscal Year 2023-24, five (5) parcels within the district are classified as Developed Property and the remaining fourteen (14) parcels within the district are classified as Undeveloped Property. Only Developed Property within the district will be subject to the levy of special taxes.

The special taxes being levied hereunder are at the same rate or at a lower rate than provided within each applicable Ordinance.

CFD No. 2015-02 (Rio Bravo):

The total Fiscal Year 2023-2024 special tax levy for CFD No. 2015-02 is \$831,762.50

CFD No. 2018-01 (Wagon Wheel):

The total Fiscal Year 2023-2024 special tax levy for CFD No. 2018-01 is \$1,117,691.64.

Documents: <https://www.dropbox.com/sh/e9jir7a5z1xwhy9/AACY8vhaRGdEOyW6A9vmIWH8a?dl=0>



Agenda Item No. 5

Agenda Report

DATE: June 15, 2023

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) assessment districts (ADs) and community facilities districts (CFDs) for Series 2023D or a future bond issuance:

- a. Resolutions of intention in respect of the ADs to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps;
- b. Resolutions preliminarily approving the engineer's reports in respect of the ADs, setting date for the public hearing of protests and providing for property owner ballots;
- c. Resolutions approving joint community facilities agreements and declaring intention to establish CFDs, and to levy special taxes therein to finance certain public improvements and fees and to levy special taxes therein; and
- d. Resolutions to incur bonded indebtedness to finance certain public improvements and fees within the CFDs and calling for a public hearing.

BACKGROUND AND SUMMARY:

The actions requested today by the Commission are the first steps in connection with 12 projects expected to be included in the SCIP 2023D pool. Attachment A includes a breakdown and location of the projects. The estimated amount of the SCIP 2023D financing is \$34 million.

The resolutions/notices include the following actions:

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

- b. Resolutions preliminarily approving the engineer's reports in respect of the ADs, setting date for the public hearing of protests and providing for property owner ballots;
- c. Resolutions approving joint community facilities agreements and declaring intention to establish CFDs, and to levy special taxes therein to finance certain public improvements and fees and to levy special taxes therein; and
- d. Resolutions to incur bonded indebtedness to finance certain public improvements and fees within the CFDs and calling for a public hearing on August 3, 2023.

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

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the resolutions as presented to the Commission and setting the public hearing for August 3, 2023 at 2:00 pm.

Documents:

<https://www.dropbox.com/sh/p92r7fncrukwyjc/AADHao2O0mRArPBKQuQZs46ma?dl=0>

ATTACHMENT A

Local Agency	Project	Developer	Land Use	Land Use Type	Units	Est. Par Amount
Antioch, City of	Deer Valley	Meritage Homes of California, Inc.	Single-Family	Residential	120	2,250,000
Bakersfield, City of	Morningstar Ranch (Phase II)	LGI Homes - California, LLC	Single-Family	Residential	77	1,180,000
Elk Grove, City of	Sheldon Farms North Commercial	Capital Rivers Commercial	Retail / Medical	Commercial	n/a	2,070,000
Elk Grove, City of	Sheldon Grove	The New Home Company	Single-Family	Residential	122	2,815,000
Galt, City of	Parlin Oaks	Blue Mountain Communities	Single-Family	Residential	144	2,880,000
Sacramento, County of	The Lakes at Antelope (Unit 1)	KB Home Sacramento Inc.	Single-Family	Residential	38	1,485,000
Sacramento, County of	Sycamore Grove	FDC Nor-Cal Corp	Single-Family	Residential	24	1,695,000
Yucaipa, City of	Elizabeth Court	Shaoul Levy	Multi-Family	Residential	32	620,000
San Diego, City of	3 Roots (District III)	Lennar Homes of California, LLC	Multi-Family	Residential	360	9,540,000
Manteca, City of	Denali - Unit 2 (Phase I)	Trumark Homes	Single-Family	Residential	142	4,845,000
Manteca, City of	The Trails of Manteca (Units 1 - 3)	Lennar Homes of California, LLC	Single-Family	Residential	203	2,565,000
Redding, City of	Sonata	Generation Communities, LLC	Single-Family	Residential	58	1,150,000
Total	12 Projects				1,320	\$33,095,000



Agenda Item No. 6

Agenda Report

DATE: June 15, 2023

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: 300 Lakeside, Oakland, California

PURPOSE: Authorize the issuance of commercial PACE bonds to finance and refinance energy efficiency improvements, water efficiency improvements, and seismic strengthening improvements.

AMOUNT: Not to Exceed \$230,000,000

EXECUTIVE SUMMARY:

BA2 300 Lakeside LLC, an affiliate of TMG Partners, is seeking PACE financing to refinance PACE-eligible costs and improvements associated with a recently renovated building located at 300 Lakeside Drive, Oakland, California.

PROJECT ANALYSIS:

About the Project:

CSCDA will finance retroactive energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, including related soft costs, for the building located at 300 Lakeside Drive, Oakland, California. The building is a 910,000 square foot, 28-story office tower that is primarily leased to Pacific Gas and Electric Company (“PG&E”). PG&E has an option to buy the building.

The financing will be federally taxable and be funded through the PACE assessment. See Attachment A for details of the improvements being financed.

KeyBanc Capital Markets is acting the underwriter, and will circulate a limited offering memorandum to potential institutional investors. KeyBanc is seeking a rating for the bonds from DBRS Morningstar because it is the only rating agency that offers a single-asset, single-borrower C-PACE rating, although the rating has not been issued as of the date of this report.

Public Agency Approval:

TEFRA approval is not required as the financing falls into the category of PACE and not tax-exempt private activity bonds. The City of Oakland approved CSCDA levying assessments under PACE on September 8, 2015 (Resolution No. 85765).

Estimated Sources and Uses:

Sources of Funds:

Par Amount of Bonds:	\$220,772,865
Total Sources:	<u>\$220,772,865</u>

Use of Funds:

Improvement Funds:	\$215,000,000
Capitalized Interest Fund:	\$2,423,902
Costs of Issuance and Admin Fees:	\$3,348,963
Total Uses:	<u>\$220,772,865</u>

Finance Partners:

PACE Counsel:	Jones Hall, San Francisco, California
PACE Assessment Administrator:	DTA Finance, Newport Beach, California
PACE Program Administrator:	GreenRock Capital, LLC, Larkspur CA
Underwriter or Placement Agent:	KeyBanc Capital Markets

Finance Terms:

Term:	35 years; fixed rate, assuming assessment will be prepaid on or before September 2, 2028. If the assessment is not prepaid by 9/2/28, the interest rate will increase to a to-be-determined rate.
Structure:	Limited Placement
Estimated Closing:	July 11, 2023

CSCDA Policy Compliance:

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

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

DOCUMENTS: https://www.dropbox.com/sh/mes1hz9kkok3ofq/AABcdwfLPvhOiOywkq131_70a?dl=0

ATTACHMENT A

Date: 5/9/2023
Project Name: 300 Lakeside (Oakland, CA)
Constr. Type: Retrofit

Preliminary Review

Total Project Cost: \$ 323,294,332

<i>Improvements</i>	<i>Effective Useful Life (years)</i>	<i>PACE Costs</i>	<i>Category Totals</i>
		\$	92,311,433
Energy Efficiency			
HVAC Systems	25	\$39,040,733	
Lighting	20	\$31,643,346	
Insulation	25	\$4,319,413	
Openings	20	\$4,640,705	
Sealing	10	\$3,333,150	
Conveying Systems	20	\$9,334,086	
Water Conservation		\$	4,354,662
Plumbing Fixtures	20	\$4,354,662	
Seismic Retrofit & Safety		\$	51,697,199
Related Scope, Indirect & Soft Costs		\$	66,636,706
Related	Demolition, Finishes, Sitework, etc.	\$3,496,723	
	Indirect Costs (GC fees, general requirements, etc.)	\$29,040,828	
Soft Costs	A&E and other indirect costs	\$34,099,155	

PACE Improvements Cost: \$ 215,000,000 |

% of Total Project Costs: 67%

Weighted Average Useful Life (years): | 32



Agenda Item No. 7

Agenda Report

DATE: June 15, 2023

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of program administration agreement with Benefit Street Partners for CSCDA Open PACE.

EXECUTIVE SUMMARY:

CSCDA received a proposal from Benefit Street Partners (BSP) to act as a commercial PACE only Program Administrator under the CSCDA Open PACE program. The proposal was reviewed by the EIS Committee and recommended for approval by the Commission.

Program administration agreement has been reviewed by CSCDA's General Counsel.

OVERVIEW:

BSP

BSP is a subsidiary of Franklin Templeton, and brings an integrated real estate lending portfolio and team to the C-PACE market.

- Objective is to integrate both senior loan and C-PACE financing into one offering.
- Group is led by Lain Gutierrez who is the former CEO of Clean Fund, a CSCDA Open PACE program administrator.
- Franklin Templeton is a significant investor in CSCDA's SCIP program, and understands the California credit marketplace.

BSP exceeds all of the CSCDA Program Administrator requirements as outlined below:

1. Minimum of \$10MM in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent.
2. Minimum transaction size \$2MM.
3. C-PACE finance team established including bond counsel, assessment engineer and trustee.
4. Minimum 2 years of C-PACE or similar financing experience.

5. Ability to manage delinquency of assessments.

RECOMMENDED ACTION:

Recommend the approval of program administration agreement with Benefit Street Partners for CSCDA Open PACE.

Documents: <https://www.dropbox.com/sh/vfg1pgi42ptv27i/AABTOxTpG1nQn9sjczeH9WyQa?dl=0>



Agenda Item No. 8

Agenda Report

DATE: June 15, 2023

TO: CSCDA Commissioners

FROM: Cathy Barna, Managing Director

PURPOSE: Consideration of five-year program administration agreement extension for Petros PACE Finance

EXECUTIVE SUMMARY:

Petros PACE entered into an Open PACE Program Administration Agreement with CSCDA for commercial PACE in 2018. The initial term was five-years and is expiring at the end of June, 2023. Staff recommends extending the contract another five years. CSCDA's General Counsel has drafted an extension that may be considered by the CSCDA Commission, and the EIS Committee reviewed and recommended the extension.

Petros PACE continues to be the second most active program administrator in CSCDA's commercial PACE program. Petros has completed ten commercial PACE transactions with CSCDA.

RECOMMENDED ACTION:

Recommend a five-year Open PACE Program Administration Agreement extension for Petros PACE.

Documents: <https://www.dropbox.com/sh/vfg1pgi42ptv27i/AABTOxTpG1nQn9sjczeH9WyQa?dl=0>



Agenda Item No. 9

Agenda Report

DATE: June 15, 2023
TO: CSCDA COMMISSIONERS
FROM: Cathy Barna, Executive Director
PURPOSE: Consideration of JP Morgan Bank as a CSCDA commercial PACE Program Administrator.

EXECUTIVE SUMMARY:

CSCDA received a proposal from JP Morgan Bank (JPM) to act as a commercial PACE only Program Administrator under the CSCDA Open PACE program. The EIS Committee reviewed and recommended approval of JPM.

The program administration agreement will be brought back to the Commission at a later date.

OVERVIEW:

JPM

C-PACE Lending Aligns Squarely with JPMorgan's Green Sustainable Development Target.

- In 2021 JPMorgan announced a Sustainable Development Target of more than \$2.5 trillion over 10 years to advance long-term solutions that address climate change and contribute to sustainable development.
- The sustainable development activities are focused in three areas:
 - Green: Supporting climate action, with the goal of accelerating the deployment of solutions for cleaner sources of energy and facilitating the transition to a low-carbon economy.
 - Development Finance: Mobilizing capital to advance the United Nations Sustainable Development Goals (SDGs) in emerging economies.
 - Community Development: Advancing economic inclusion in developed markets.

JPM exceeds all of the CSCDA Program Administrator requirements as outlined below:

1. Minimum of \$10MM in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent.
2. Minimum transaction size \$2MM.
3. C-PACE finance team established including bond counsel, assessment engineer and trustee.
4. Minimum 2 years of C-PACE or similar financing experience.
5. Ability to manage delinquency of assessments.

RECOMMENDED ACTION:

Recommend the approval of JP Morgan Bank as a new commercial Open PACE Program Administrator.