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REGULAR MEETING AGENDA

January 11, 2024 at 2:00 PM

**League of California Cities
1400 K Street, 3rd Floor
Sacramento, CA 95814**

Telephonic Locations:

3124 Chesapeake Bay Avenue
Davis, CA 95616

12715 Lookout Circle
Nevada City, CA 95959

709 Portwalk Place
Redwood City, CA 94065

County of Kern
Treasurer-Tax Collectors Office
1115 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301

County of Contra Costa
County Finance Building
625 Court Street, Room 100
Martinez, CA 94533

7400 Cristobal Avenue
Atascadero, CA 93422

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
____ Jordan Kaufman, Vice Chair
____ Kevin O'Rourke, Secretary
____ Dan Mierzwa, Treasurer
____ Tim Snellings, Member

____ Brian Stiger, Member
____ Niroop Srivatsa, Member
____ Jim Erb, Alt. Member
____ Norman Coppinger, Alt. Member

2. Consideration of the Minutes of the December 21, 2023 Regular Meeting.

3. Public Comment.

B. AGENDA ITEMS

4. Consideration of resolutions to issue variable rate demand multifamily housing revenue refunding bonds for Lexington Apartments 2024 Series A not to exceed \$9,000,000 and Regency Apartments 2024 Series A not to exceed \$14,000,000, City of San Jose, County of Santa Clara.
5. Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2023.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

6. Executive Director Update.
7. Staff Updates.
8. Adjourn.

NEXT MEETING: Thursday, January 25, 2024 at 2:00 p.m.



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 21, 2023 at 2:00 pm

Commission Chair Brian Moura called the meeting to order at 2:01 pm.

1. Roll Call.

Board members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa, Tim Snellings, Brian Stiger, and Norman Coppinger.

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

2. Consideration of the Minutes of the December 7, 2023 Regular Meeting.

The Commission approved the December 7, 2023 Regular Meeting minutes.

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

3. Consent Calendar

The Commission approved the Consent Calendar.

1. Consideration of agreement with S&P Global Ratings related to the Statewide Community Infrastructure Program (SCIP).

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

4. Public Comment.

There was no public comment.

5. Conduct second reading and adoption of "Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following solely within and relating to Improvement Area No. 2 of

the Community Facilities District established in respect of the Fancher Creek project.”

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

6. Consideration of a resolution authorizing the issuance of commercial PACE bonds relating to the Hilton Tapestry hotel located at 1451 Rosecrans Street, City of San Diego, County of San Diego.

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

7. Consideration of a resolution authorizing the issuance of commercial and residential PACE bonds relating to the Townhomes on Nemo located at 9061 and 9065 Nemo Street, City of West Hollywood, County of Los Angeles.

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

8. Executive Director Update.

Executive Director Barna announced that annual meeting was set for February 22nd in Sacramento at 11am. Location will be announced at a later date.

The Commission congratulated Commission Member Mierzwa for his new role as Treasurer- Tax Collector of Contra Costa County.

9. Staff Update.

Staff had no update.

10. Adjourn.

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

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, January 11, 2024 at 2:00 p.m.



Agenda Item No. 4

Agenda Report

DATE: January 11, 2024

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Lexington Apartments and Regency Apartments, City of San Jose, County of Santa Clara

PURPOSE: Consideration of resolutions to issue variable rate demand multifamily housing revenue refunding bonds for Lexington Apartments 2024 Series A not to exceed \$9,000,000 and Regency Apartments 2024 Series A not to exceed \$14,000,000, City of San Jose, County of Santa Clara.

EXECUTIVE SUMMARY:

- On July 24, 2006, CSCDA issued multifamily housing revenue bonds in the amount of \$11,350,000 to finance a portion of the cost of the acquisition and rehabilitation of an 80-unit multifamily apartment development located at 1350-1380 Lexington Drive in the City of San Jose, known as Lexington Apartments.
- On July 24, 2006, CSCDA issued multifamily housing revenue bonds in the amount of \$19,000,000 to finance a portion of the cost of the acquisition and rehabilitation of a 143-unit multifamily apartment development located at 1315-1403 Eden Avenue the City of San Jose, known as Regency Park Apartments.
- KDF Communities, the Developer, is requesting to current refund the bonds for the two projects in the amounts of \$9,000,000 for Lexington Apartments and \$14,000,000 for Regency Apartments based upon the bonds that remain outstanding, and convert the financings to variable rate demand obligation bonds versus fixed bonds.
- All terms and conditions of the regulatory agreement will remain in place.
- The current refunding will generate savings for the two projects due to variable rate obligations being at a lower interest rate of approximately 3.4% versus the fixed rates bonds from 2006 that are at 6.25%. Such savings will be reinvested into the upkeep of the properties.
- The refunding meets all CSCDA general and issuance policies.

Public Agency Approval:

Bond counsel has advised no TEFRA hearing is required due to the financing being a current refunding.

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Underwriter: Stern Brothers, San Diego
Standby Letter of Credit: Federal Home Loan Bank of San Francisco

FINANCE TERMS:

Rating: AA+
Term: 20 years
Structure: Variable Rate – Secured Overnight Financing Rate (SOFR)
Method of Sale: Public Offering
Estimated Closing: February 6, 2024

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends approval of the following resolutions:

1. A resolution of the California Statewide Communities Development Authority authorizing the issuance and delivery of variable rate demand multifamily housing revenue bonds in an aggregate principal amount not to exceed \$9,000,000 for the refinancing of a multifamily rental housing project to be generally known as Lexington Apartments; determining and prescribing certain matters and approving and authorizing the execution of and delivery of various documents related thereto; ratifying any action heretofore taken and approving related matters in connection with the bonds.
2. A resolution of the California Statewide Communities Development Authority authorizing the issuance and delivery of variable rate demand multifamily housing revenue bonds in an aggregate principal amount not to exceed \$14,000,000 for the refinancing of a multifamily rental housing project to be generally known as Regency Park Apartments; determining and prescribing certain matters and approving and authorizing the execution of and delivery of various documents related thereto; ratifying any action heretofore taken and approving related matters in connection with the bonds.

Attachment A

RESOLUTION NO. 24H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000 FOR THE REFINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS LEXINGTON APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

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

WHEREAS, on July 24, 2006, the Authority issued its (i) Multifamily Housing Revenue Bonds (Lexington Apartments) 2006 Series DD in the aggregate principal amount of \$11,350,000 (the “**Tax-Exempt 2006 Bonds**”), and (ii) Multifamily Housing Revenue Bonds (Lexington Apartments) 2006 Series DD-T in the aggregate principal amount of \$870,000 (the “**Taxable 2006 Bonds**” and together with the Tax-Exempt 2006 Bonds, the “**Prior Bonds**”), to finance a portion of the cost of the acquisition and rehabilitation of a multifamily rental housing development known as the Lexington Apartments, located within the City of San Jose, California (the “**Project**”), owned and operated by KDF Lexington, L.P., a California limited partnership (the “**Borrower**”);

WHEREAS, the Borrower has requested that the Authority issue tax-exempt revenue refunding bonds to refund and redeem certain of the Tax-Exempt 2006 Bonds (as further described herein, the “**Transaction**”);

WHEREAS, the Authority is willing to issue not to exceed \$9,000,000 aggregate principal amount of its Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Lexington Apartments) 2024 Series A (the “**Bonds**”), and loan the proceeds thereof to the Borrower to assist in providing refinancing for the Project;

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 Taxable 2006 Bonds will be redeemed in whole concurrently with the Transaction;

WHEREAS, proceeds of the Bonds will be applied on the closing in connection with the Transaction to redeem a like principal amount of Tax-Exempt 2006 Bonds;

WHEREAS, the aggregate principal amount of taxable and tax-exempt bonds of the Authority that will remain outstanding after the Transaction will be less than the aggregate principal amount of such bonds outstanding prior to the Transaction;

WHEREAS, the Bonds are expected to be secured by a direct-pay letter of credit provided by East West Bank, a California banking corporation (the “**Credit Bank**”), and a standby letter of credit issued by the Federal Home Loan Bank of San Francisco (the “**Standby Credit Bank**”);

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

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

1. Indenture of Trust with respect to the Bonds (the “**Indenture**”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “**Trustee**”); and
2. Loan Agreement with respect to the Bonds (the “**Loan Agreement**”), to be entered into among the Authority, the Trustee and the Borrower; and
3. Bond Purchase Agreement with respect to the Bonds (the “**Purchase Agreement**”), to be entered into among the Authority, the Borrower and Stern Brothers & Co., as underwriter of the Bonds (the “**Underwriter**”); and
4. Official Statement with respect to the Bonds (the “**Official Statement**”), to be used in connection with the offer and sale of the Bonds; and
5. First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants with respect to the Bonds (the “**Regulatory Agreement**”), to be entered into among the Borrower, the Authority and the Trustee; and
6. Intercreditor Agreement (the “**Intercreditor Agreement**”), to be entered into among the Authority, the Trustee and the Credit Bank.

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 Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds, including additional Bonds up to the not-to-exceed amount specified in this paragraph. The Bonds shall be designated “California Statewide Communities Development Authority Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Lexington Apartments) 2024 Series A” with appropriate modifications and series and sub-series designations as necessary, including for taxable bonds and additional bonds as provided in the

Bond documents approved herein, in an aggregate principal amount not to exceed \$9,000,000. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, as applicable, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “**Member**”).

Section 3. The Indenture substantially 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. 23R-01 of the Authority, adopted on January 5, 2023) (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 Indenture, 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 be more than 45 years from issuance or as otherwise limited by the tax certificate), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in Indenture as finally executed.

Section 4. The Loan Agreement substantially 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 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 Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of sale of the Bonds, said Official Statement in final form, 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause

the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The Intercreditor 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 Intercreditor 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 9. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the applicable Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the purchasers thereof upon payment of the purchase price thereof.

Section 10. All actions heretofore taken by the officers and agents of the Authority with respect to the refinancing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement, allonge or assignment of the deed of trust and such other documents as described in the Indenture, the Loan Agreement, Purchase Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the refinancing 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 issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the refinancing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and 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 January 11, 2024.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 11, 2024.

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: KDF Lexington, L.P., a California limited partnership
2. Authority Meeting Date: January 11, 2024
3. Name of Obligations: Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, (Lexington Apartments) 2024 Series A
4. 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): variable.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$250,000.
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$8,690,000. [private label taxable bonds will pay costs of issuance]
 - (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): variable rate bonds.
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: January 8, 2024

RESOLUTION NO. 24H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,000,000 FOR THE REFINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS REGENCY PARK APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

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

WHEREAS, on July 24, 2006, the Authority issued its (i) Multifamily Housing Revenue Bonds (Regency Park Apartments) 2006 Series X in the aggregate principal amount of \$19,000,000 (the “**Tax-Exempt 2006 Bonds**”), and (ii) Multifamily Housing Revenue Bonds (Regency Park Apartments) 2006 Series X-T in the aggregate principal amount of \$1,520,000 (the “**Taxable 2006 Bonds**” and together with the Tax-Exempt 2006 Bonds, the “**Prior Bonds**”), to finance a portion of the cost of the acquisition and rehabilitation of a multifamily rental housing development known as the Regency Park Apartments, located within the City of San Jose, California (the “**Project**”), owned and operated by KDF Regency, L.P., a California limited partnership (the “**Borrower**”);

WHEREAS, the Borrower has requested that the Authority issue tax-exempt revenue refunding bonds to refund and redeem certain of the Tax-Exempt 2006 Bonds (as further described herein, the “**Transaction**”);

WHEREAS, the Authority is willing to issue not to exceed \$14,000,000 aggregate principal amount of its Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Regency Park Apartments) 2024 Series B (the “**Bonds**”), and loan the proceeds thereof to the Borrower to assist in providing refinancing for the Project;

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 Taxable 2006 Bonds will be redeemed in whole concurrently with the Transaction;

WHEREAS, proceeds of the Bonds will be applied on the closing in connection with the Transaction to redeem a like principal amount of Tax-Exempt 2006 Bonds;

WHEREAS, the aggregate principal amount of taxable and tax-exempt bonds of the Authority that will remain outstanding after the Transaction will be less than the aggregate principal amount of such bonds outstanding prior to the Transaction;

WHEREAS, the Bonds are expected to be secured by a direct-pay letter of credit provided by East West Bank, a California banking corporation (the “**Credit Bank**”), and a standby letter of credit issued by the Federal Home Loan Bank of San Francisco (the “**Standby Credit Bank**”);

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

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

7. Indenture of Trust with respect to the Bonds (the “**Indenture**”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “**Trustee**”); and

8. Loan Agreement with respect to the Bonds (the “**Loan Agreement**”), to be entered into among the Authority, the Trustee and the Borrower; and

9. Bond Purchase Agreement with respect to the Bonds (the “**Purchase Agreement**”), to be entered into among the Authority, the Borrower and Stern Brothers & Co., as underwriter of the Bonds (the “**Underwriter**”); and

10. Official Statement with respect to the Bonds (the “**Official Statement**”), to be used in connection with the offer and sale of the Bonds; and

11. First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants with respect to the Bonds (the “**Regulatory Agreement**”), to be entered into among the Borrower, the Authority and the Trustee; and

12. Intercreditor Agreement (the “**Intercreditor Agreement**”), to be entered into among the Authority, the Trustee and the Credit Bank.

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

Section 13. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 14. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds, including additional Bonds up to the not-to-exceed amount specified in this paragraph. The Bonds shall be designated “California Statewide Communities Development Authority Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Regency Park Apartments) 2024 Series B” with appropriate modifications and series and sub-series designations as necessary, including for taxable bonds and additional bonds as provided in the Bond documents approved herein, in an aggregate principal amount not to exceed \$14,000,000. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, as applicable, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or

the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “**Member**”).

Section 15. The Indenture substantially 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. 23R-01 of the Authority, adopted on January 5, 2023) (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 Indenture, 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 be more than 45 years from issuance or as otherwise limited by the tax certificate), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in Indenture as finally executed.

Section 16. The Loan Agreement substantially 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 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 17. The Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 18. The form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of sale of the Bonds, said Official Statement in final form, 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 19. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 20. The Intercreditor 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 Intercreditor 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 21. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the applicable Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the purchasers thereof upon payment of the purchase price thereof.

Section 22. All actions heretofore taken by the officers and agents of the Authority with respect to the refinancing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement, allonge or assignment of the deed of trust and such other documents as described in the Indenture, the Loan Agreement, Purchase Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the refinancing of the Project.

Section 23. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the refinancing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 24. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this January 11, 2024.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 11, 2024.

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: KDF Regency, L.P., a California limited partnership
2. Authority Meeting Date: January 11, 2024
3. Name of Obligations: Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, (Regency Park Apartments) 2024 Series B
4. 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): variable.
 - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$300,000.
 - [(C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$13,770,000. [private label taxable bonds will pay costs of issuance]
 - [(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): variable rate bonds.
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: January 8, 2024



Agenda Item No. 6

Agenda Report

DATE: January 11, 2024
TO: CSCDA COMMISSIONERS
FROM: Cathy Barna, Executive Director
PURPOSE: Consideration of CSCDA Audited Financial Statement for the Year Ended June 30, 2023

BACKGROUND AND SUMMARY:

Attached for the consideration of the Commission are the CSCDA audited financial statements for the Year Ended June 30, 2023. Mann, Urrutia, Nelson, CPAs & Associates, LLP prepared the reports working with the Cal Cities staff and CSCDA staff. Highlights from the audited financial statements include the following:

1. **Bonds Issued** – During fiscal year ending June 30, 2023, CSCDA issued \$1.2 billion in conduit bonds which were in the following categories:
 - **Private Activity Bonds** – CSCDA financed 19 projects for a total of \$899.1 million in bonds
 - **Public Agency Bonds** – CSCDA issued 11 bond issues totaling \$141.9 million in bonds.
 - **PACE** – CSCDA had 146 bond issuances totaling \$135 million in bonds.
 - **FY 2023 Total** – CSCDA had 146 bond issuances totaling \$1.2 billion in bonds.
 - **Aggregate Total** – CSCDA’s aggregate outstanding bonds is equal to \$25 billion as of June 30, 2023.
2. **Bond Issuance Fees** – CSCDA collected \$6,451,619 in new bond issuance fees which is a 15% increase over 2022 Bond Issuance Fees of \$5.6 million.
3. **Bond Administrative Fees** – CSCDA collected \$8,585,966 in bond administration fees which is a 3% decrease over 2022 Bond Administrative Fees of \$8.7 million.
4. **Distributions** – CSCDA’s primary disbursements were:
 - \$2,929,983 – HB Capital Bond Admin. Fees, down \$445,005 compared to 2022.
 - \$3,074,945 – BSP Bond Issuance Fees, up \$248,423 from 2022.
 - \$1,276,327 – BSP Bond Admin. Fees, up \$102,779 from 2022.
 - \$3,366,434 – CSAC FC and LCC Issuance Fees, an increase of \$582,200,000 over 2022.
 - \$3,222,130 – CSAC FC and LCC Admin. Fees, a decrease of \$22,000 over 2022.
 - \$463,278 – General Administrative Activities, which included compensation to the Executive Director and General Counsel.

5. **Cash and Investment** – As of June 30, 2023, CSCDA’s had \$5,046,740 in cash and investments which primarily represent prepaid bond administration fees and deposits. The balance in the General Administrative Fund was \$223,277 as of June 30, 2023.
6. **Investments** – CSCDA’s cash and investments are held in money market funds and US Treasury Obligations

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the Audited Financial Statement for the Year Ended June 30, 2023.

CSCDA Audited Financial Statement:

<https://www.dropbox.com/scl/fo/2o0kp8sstnktcwz5xdkkw/h?rlkey=wy9m62dc4nt2f8rrevcnp0a94&dl=0>



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



California State Association of Counties



LEAGUE OF
 CALIFORNIA
 CITIES

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

**January 11, 2024
 2:00 PM or upon adjournment of the CSCDA meeting**

**League of California Cities
 1400 K Street, 3rd Floor
 Sacramento, CA 95814**

Telephonic Locations:

3124 Chesapeake Bay Avenue
 Davis, CA 95616

12715 Lookout Circle
 Nevada City, CA 95959

709 Portwalk Place
 Redwood City, CA 94065

County of Kern
 Treasurer-Tax Collectors Office
 1115 Truxtun Avenue, 2nd Floor
 Bakersfield, CA 93301

County of Contra Costa
 County Finance Building
 625 Court Street, Room 100
 Martinez, CA 94533

7400 Cristobal Avenue
 Atascadero, CA 93422

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.

1. Roll Call.

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

2. Consideration of the Minutes of the February 6, 2023 Meeting.

3. Public Comment.
4. Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2023.
5. Executive Director Update.
6. Staff Updates.
7. Adjourn.



MINUTES

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

February 16, 2023 at 11:00 AM

Commission Chair Tim Snellings called the meeting to order at 11:09 a.m.

1. Roll Call.

Commission members participating via teleconference: Tim Snellings, Brian Moura, Kevin O'Rourke, Jordan Kaufman, Brian Stiger, Niroop Srivatsa, and Jim Erb.

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

2. Election of Officers.

B. Stiger nominated the following officers to be elected:

Brian Moura as Chair
Jordan Kaufman as Vice Chair
Kevin O'Rourke as Secretary
Dan Mierzwa as Treasurer

Motion to close the nominations and adopt the slate of officers by B. Stiger. Second by N. Srivatsa. Unanimously approved by voiced vote.

3. Consideration of Minutes of the January 5, 2023 Meeting

The Commission approved the minutes of the January 5, 2023 Annual Meeting.

Motion to approve by J. Kaufman. Second by T. Snellings. Unanimously approved by voiced vote.

4. Public Comment.

There was no public comment.



5. Executive Director Update.

Executive Director Bando had no update.

6. Staff Update.

Staff had no updates.

7. Adjourn.

The meeting was adjourned at 11:12 a.m.

Submitted by: Sendy Young, CSAC Finance Corporation

Agenda Report

DATE: January 11, 2024
TO: CSFA Board
FROM: Cathy Barna, Executive Director
PURPOSE: Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2023

BACKGROUND AND SUMMARY:

CSFA was created in 2002 as a joint-powers authority among eleven (11) counties to finance payments from the nationwide Tobacco Settlement Agreement. The counties include Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo, and Yuba counties.

The following is a summary of the year ended June 30, 2023 financial statements:

- The largest assets of the CSFA (77% of the assets) equal to \$27.1 million are restricted funds held by the trustee for the payment of future debt service.
- The CSFA's net position is a deficit of approximately \$268.3 million as of June 30, 2023, compared to \$263.4 million as of June 30, 2022, representing a \$4.1 million increase in the deficit. The deficit increase is due to the difference between the principal payments on the outstanding bonds of \$8.760 million and \$12.856 million which is the accretion of interest on outstanding capital appreciation bonds plus the amortization of the bond discount.
- The revenue activity in 2023 was \$1,557,125 less than 2022 due to a decrease in tobacco settlement proceeds received in 2023.
- The decline in the overall consumption of cigarettes below levels estimated, could have a material effect on the payments received by CSFA used to pay its debt service. CSFA is currently on track to meet the maturity dates of the bonds, but is presently behind on the expected final turbo redemption dates.

RECOMMENDATION:

CSCDA's Executive Director recommends the approval of the year ended June 30, 2023 financial statements for CSFA.

CSFA Audited Financial Statements:

<https://www.dropbox.com/scl/fo/cvfu5rppr0e3u30q87khy/h?rlkey=y5pnyabmjlsqmj6q0y15pycmm&dl=0>