



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



California State Association of Counties



LEAGUE OF  
CALIFORNIA  
CITIES

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**February 8, 2024**

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**CSCDC**

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## **REGULAR MEETING AGENDA**

**February 8, 2024 at 2:00 PM**

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

Telephonic Locations:

12715 Lookout Circle  
Nevada City, CA 95959

32920 Road 140  
Visalia, CA 93292

3124 Chesapeake Bay Avenue  
Davis, CA 95616

*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	_____	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 1, 2024 Regular Meeting.

3. Consent Calendar.

4. Public Comment.

**B. AGENDA ITEMS**

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. A0358 Monterey, L.P. (Crossings at Palm Desert Apartments), City of Palm Desert, County of Riverside; issue up to \$3,150,000 in supplemental multi-family housing revenue bonds.
6. Discussion of CalHFA Homeowner Assistance Fund.
7. Consider Setting Time of February 22, 2024 Regular Meeting at 11:00 a.m.

**C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS**

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

**NEXT MEETING:** Thursday, February 22, 2024 at 11:00 a.m.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**CONSENT CALENDAR**

1. Consideration of membership renewal with the California Association of Local Housing Finance Agencies (CAL-ALHFA).
  
2. Consideration of membership and sponsorship renewal with the California Council for Affordable Housing (CCAH).

February 8, 2024



## MINUTES

### REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

February 1, 2024 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, Jordan Kaufman, Kevin O'Rourke, Tim Snellings, Niroop Srivatsa, and Jim Erb.

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; and Trisha Ortiz, Richards Watson & Gershon.

2. Consideration of the Minutes of the January 11, 2024 Regular Meeting.

The Commission approved the January 11, 2024 Regular Meeting minutes.

***Motion to approve by T. Snellings. Second by K. O'Rourke. Unanimously approved by roll-call vote.***

3. Public Comment.

***Two members of the public made comments regarding the Mortgage Relief Program. The subject was directed to staff to follow-up.***

4. Statewide Community Infrastructure Program (SCIP) 2024A (Spring Bond Series):

Consider the following resolutions for a community facilities district ("CFD"), in respect of the Provence project, for Series 2024A or a future bond issuance:

- a. Resolution approving joint community facilities agreements and declaring intention to establish the CFD, and to levy special taxes therein to finance certain public improvements and fees, as applicable, and to levy special taxes therein; and

***Motion to approve by J. Kaufman. Second by K. O'Rourke. Unanimously approved by roll-call vote.***

- b. Resolution to incur bonded indebtedness to finance certain public improvements and fees, as applicable, within the CFD and calling for a public hearing.

***Motion to approve by N. Srivatsa. Second by J. Erb. Unanimously approved by roll-call vote.***

5. Executive Director Update.

***Executive Director Barna informed the Commission that the CSCDA Annual Meeting has been confirmed for February 22<sup>nd</sup> at the Grange Restaurant. Room Reservations have been made for Commissioners traveling into Sacramento at the Citizen Hotel.***

6. Staff Update.

***Staff had no update.***

7. Adjourn.

The meeting was adjourned at 2:10 p.m.

Submitted by: Sindy Young, CSAC Finance Corporation

**NEXT MEETING:** Thursday, February 8, 2024 at 2:00 p.m.



## Agenda Item No. 3

### Agenda Report

**DATE:** February 8, 2024  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Barna, Executive Director  
**PURPOSE:** Consent Calendar

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#### SUMMARY:

1. **Consideration of membership renewal with the California Association of Local Housing Finance Agencies (CAL-ALHFA).**

Founded in 1991, CAL-ALHFA has served local housing agencies and professionals in California for over 32 years. They provide legislative advocacy, educational conferences and workshops, and professional networking opportunities for local housing finance agencies and their colleagues. The membership includes local housing finance agencies and planning departments, for-profit and non-profit developers, investors, lenders, consultants, and affordable housing advocates.

CAL-ALHFA is a non-profit organization dedicated to the development and preservation of all types of affordable housing, with an emphasis on working with smaller local agencies who often lack the personnel and resources to meet their affordable housing goals. The annual membership cost is \$300.

2. **Consideration of membership and sponsorship renewal with the California Council for Affordable Housing (CAAH).**

CAAH (California Council for Affordable Housing) is a tax-exempt nonprofit organization dedicated to facilitating the development and expansion of affordable housing in the State of California. CCAH devotes its resources to tracking relevant state and federal legislation, monitoring current housing development and finance programs, making recommendations on appropriate housing and programs, and keeping the CCAH membership informed about these matters. The annual membership cost is \$950. CCAH also sponsors two annual statewide conferences and presents special seminars on a wide range of topics facing the affordable housing industry. The Bronze Level Conference Sponsorship is \$2,500 for each of the fall and spring conferences. This sponsorship provides CSCDA's logo on all conference materials and one registration.



## Agenda Item No. 5a

### Agenda Report

**DATE:** February 8, 2024

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Barna, Executive Director

**PROJECT:** Crossings at Palm Desert Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Palm Desert, County of Riverside

**AMOUNT:** Not to Exceed \$3,150,000

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#### **EXECUTIVE SUMMARY:**

On November 13, 2023, CSCDA issued \$74,000,000 in multi-family housing revenue bonds for Crossings at Palm Desert Apartments (the “Project”), a 176-unit rental affordable housing project located in the City of Palm Desert (the “City”). 80% of the units will be rent restricted for very-low and 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 176-unit affordable rental housing facility located at the corner of Dick Kelly Drive and Gateway Drive in the City of Palm Desert.
- Two and three-story town and row houses located on a 11.74-acre site.
- Consists of 44 one-bedroom units, 80 two-bedroom units, and 52 three-bedroom units, including two manager’s units.
- Property includes play areas, pool area, BBQ area, picnic tables, lounge, kitchen, leasing office, social service office, and central laundry facilities.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

Urban Housing Communities (UHC) is a family-owned, mission-driven company dedicated to developing affordable, sustainable housing that benefits communities and stakeholders. UHC communities offer seniors and families earning 60% or less than area median income, attractive,

safe, healthy, vital places to live in California. UHC’s on-site social services ensure their residents’ basic needs are met: health, education, and financial stability. Then UHC programming goes beyond the basics, tailoring services to a resident’s specific needs. UHC has established strong relationships with local vendors, jurisdictional departments, state organizations, and political leadership throughout California. The Project is UHC’s 11th financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** July 13, 2023 – City of Palm Desert

**CDLAC Approval:** May 10, 2023

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 54% (93 units) restricted to 30% or less of area median income households.
  - 4% (7 units) restricted to 40% or less of area median income households.
  - 1% (2 units) restricted to 50% or less of area median income households.
  - 21% (37 units) restricted to 60% or less of area median income households.
  - Two Manager’s units.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	<u>\$ 3,150,000</u>
Total Sources:	\$ 3,150,000

Uses of Funds:

Refinance Taxable Bonds:	<u>\$ 3,150,000</u>
Total Uses:	\$ 3,150,000

**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:** February 15, 2024

**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. 24H- \_\_**

**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 \$3,150,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT GENERALLY KNOWN AS CROSSINGS AT PALM DESERT; AUTHORIZING THE MODIFICATION OF CERTAIN DOCUMENTS ASSOCIATED WITH THE PRIOR ISSUANCE OF MULTIFAMILY HOUSING REVENUE NOTES FOR CROSSINGS AT PALM DESERT; 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 (Crossings at Palm Desert) 2023 Series J-1 (the "Series J-1 Note") in the aggregate face amount (maximum principal amount) of \$54,500,000 and its Multifamily Housing Revenue Taxable Note (Crossings at Palm Desert) 2023 Series J-2 (the "Series J-2 Note") and collectively with the Series J-1 Note, the "Prior Notes") in the aggregate face amount (maximum principal amount) of \$19,500,000 to assist in financing the acquisition, construction, development and equipping of a 176-unit (including two manager's units) multifamily housing rental development located in the City of Palm Desert, California (the "City"), and to be known as Crossings at Palm Desert (the "Project");

**WHEREAS**, A0358 Monterey, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver its Multifamily Housing Revenue Note (Crossings at Palm Desert) 2024 Series B (the "Note") to assist in providing financing for the Project and make certain modifications to the Prior Notes in connection therewith, including, but not limited to, the payment of the Note, co-equal in security, priority and pari passu to the liens associated with the Prior Notes, the cross-default of the Note and the Prior Notes, and the reduction of the aggregate face amount (maximum principal amount) of the Series J-2 Note by an amount equal to the aggregate face amount (maximum principal amount) of the Note;

**WHEREAS**, on November 28, 2023, the Authority received a private activity bond volume cap allocation in the amount of \$3,150,000 from the California Debt Limit Allocation Committee (“CDLAC”) (the “Supplemental Allocation Amount”) from CDLAC 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 \$3,150,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Supplemental Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low 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 Notes, 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 Notes;

(5) Omnibus Amendment and Reaffirmation Agreement (the “Omnibus Amendment”) to be entered into among the Borrower, the Funding Lender, and Urban Housing Communities LLC, a California limited liability

company, as guarantor, and consented to by the Authority, and related to the Prior Notes; 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 (Crossings at Palm Desert) 2024 Series B” 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 \$3,150,000; provided that the aggregate principal amount of any federally tax-exempt obligations shall not exceed the Supplemental 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. 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 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 Notes 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 Notes 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 Notes 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 February 8, 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 February 8, 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: A0358 Monterey LP

2. Authority Meeting Date: 2/8/2024

3. Name of Obligations:

**\$3,150,000**

**California Statewide Communities Development Authority  
Multifamily Housing Revenue Note  
(Crossings at Palm Desert) 2024 Series B**

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): 6.35%.

(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$235,118.75.

(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: \$2,914,881.25.

(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): \$3,959,375.00.

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: 01/31/2024



## Agenda Item No. 6

### Agenda Report

**DATE:** February 8, 2024  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Barna, Executive Director  
**PURPOSE:** Discussion of CalHFA Homeowner Assistance Fund.

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#### BACKGROUND AND SUMMARY:

At the February 1, 2024 CSCDA meeting the Commission received public comments regarding its participation in the Homeowner Assistance Fund (HAF).

- Under the American Rescue Plan Act of 2021, Congress established in the Department of the Treasury and funded a HAF to mitigate financial hardships associated with the coronavirus pandemic by providing appropriated funds to eligible entities, in this case the California Housing Finance Agency (CalHFA) for, among other purposes preventing homeowner mortgage delinquencies, defaults, and foreclosures through "qualified expenses" related to mortgages and housing, which include payment assistance or principal reduction for Property Assessed Clean Energy ("PACE") loans, where such expenditures would promote housing stability and prevent foreclosures or homeowner displacement.
- CalHFA established the California Homeowner Relief Corporation (CalHRC), a nonprofit benefit corporation, as the agency to distribute certain HAF funds related to PACE.
- CSCDA staff worked closely with CalHRC staff in July and August, 2023 to outline the process and procedures of PACE.
- In mid-August CSCDA staff was provided with the Homeowner Assistance Fund Collaboration Agreement (the "Agreement") to establish the terms and conditions of the program for CSCDA and CalHRC.
- After review by CSCDA staff and General Counsel it was determined that changes to the agreement were necessary for CSCDA's participation. These included, but were not limited to, (1) All data and information related to homeowners is held by CSCDA's PACE administrators (Renew Financial, Fortifi and PACE Funding), and the reliance/authenticity of such data needs to be through CSCDA's PACE administrators, not CSCDA. (2) The transmitting of funds via the HAF program and homeowners needs to be coordinated between the PACE administrator, David Taussig & Associates (PACE assessment administrator) and Wilmington Trust as the trustee (Open PACE team). CSCDA cannot coordinate the flow of funds. (3) The Agreement stated

CSCDA is responsible to ensure that the grant payments received align and are applied to the properties identified by CalHRC. This responsibility needs to be with the Open PACE team and not CSCDA.

- CSCDA staff communicated with CalHRC staff the concerns outlined above in late August, 2023, and requested the Agreement be updated to reflect the responsibilities be with the Open PACE team and not CSCDA.
- CSCDA staff heard back from CalHRC staff in November, 2023 that they were still working towards a solution on the Agreement based upon CSCDA's concerns.

**RECOMMENDED ACTION:**

CSCDA's Executive Director recommends the following:

1. CSCDA staff and General Counsel redline, and make the necessary changes to the Homeowner Assistance Fund Collaboration Agreement to address CSCDA's concerns.
2. CSCDA staff reach out to CalHRC staff with the suggested changes to the Agreement and determine if the revised agreement will be sufficient.
3. CSCDA staff to report back to the Commission at the March 21, 2024 meeting on the status of the Agreement and participation.



**CSCDC**  
 CALIFORNIA STATEWIDE COMMUNITIES  
 DEVELOPMENT CORPORATION



California State Association of Counties



LEAGUE OF  
 CALIFORNIA  
 CITIES

**MEETING AGENDA**

**February 8, 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:

12715 Lookout Circle  
 Nevada City, CA 95959

32920 Road 140  
 Visalia, CA 93292

3124 Chesapeake Bay Avenue  
 Davis, CA 95616

*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.

- |   |  |
|---|--|
| <input type="checkbox"/> Brian Moura, President         | <input type="checkbox"/> Brian Stiger, Member          |
| <input type="checkbox"/> Jordan Kaufman, Vice President | <input type="checkbox"/> Niroop Srivatsa, Member       |
| <input type="checkbox"/> Kevin O'Rourke, Secretary      | <input type="checkbox"/> Jim Erb, Alt. Member          |
| <input type="checkbox"/> Dan Mierzwa, Treasurer         | <input type="checkbox"/> Norman Coppinger, Alt. Member |
| <input type="checkbox"/> Tim Snellings, Member          |  |

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

3. Consent Calendar.

4. Public Comment.

5. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:
  - a. Approve the making of up to \$11,000,000 in qualified low-income community investments by CSCDC 24 LLC to Desert College Financing Corp. (College of the Desert), City of Indio, County of Riverside, California.
6. Executive Director Update.
7. Staff Updates.
8. Adjourn.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

**CONSENT CALENDAR**

1. Consider resolution ratifying the enjoinder of subsidiary allocatees to CSCDC's allocation agreements.

February 8, 2024



**CSCDC**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION



## MINUTES

### REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

**December 21, 2023**

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

Board President Brian Moura called the meeting to order at 2:11 p.m.

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 the Minutes of the December 7, 2023 Regular Meeting.

The Board of Directors approved the Minutes of the December 7, 2023.

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

3. Public Comment.

There was no public comment.

4. Consideration of audited financial statements for fiscal years ending June 30, 2022 and June 30, 2023.

***CSCDC received \$1,525,000 and \$2,325,000, respectively in 2022 and 2023, in closing fees from NMTC transactions.***

***Motion to approve by D. Mierzwa. Second by T. Snellings. 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 2:14 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation



## Agenda Item No. 3

### Agenda Report

**DATE:** February 8, 2024  
**TO:** CSCDC BOARD MEMBERS  
**FROM:** Cathy Barna, Executive Director  
**PURPOSE:** Consent Calendar

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**1. Consider resolution ratifying the enjoyment of subsidiary allocatees to CSCDC's allocation agreements.**

CSCDC recently received allocation awards in the amount of \$60,000,000 of New Markets Tax Credit (NMTC) authority in connection with its 2022 Application; and in the amount of \$55,000,000 of NMTC authority in connection with its 2021 Application. Subsidiaries of CSCDC are organized and utilized to facilitate the financing of individual NMTC transactions. Such subsidiary allocatees are then enjoined to each of CSCDC's allocation agreements with the U.S. Treasury Department's CDFI Fund. CSCDC 26 LLC, CSCDC 27 LLC, CSCDC 28 LLC, CSCDC 29 LLC, CSCDC 30 LLC, CSCDC 31 LLC, CSCDC 32 LLC and CSCDC 33 LLC have been organized and added to the allocation agreements for use in future upcoming NMTC project financings. The proposed resolution was prepared by CSCDC's counsel, Applegate & Thorne-Thomsen. Recommend approval.

Link to Resolution:

<https://www.dropbox.com/scl/fi/gdtjm1lcl845xwto9q347/CY-2021-and-2022-Amendment-enjoining-subs-CSCDC-Allocation-Agreement-Resolution-1458209-1.doc?rlkey=znqu0kals3bvxgh7yryfyps51&dl=0>



## **Agenda Report**

**DATE:** February 8, 2024

**TO:** CSCDC BOARD OF DIRECTORS

**FROM:** Cathy Barna, Executive Director

**PURPOSE:** Approve the Making of up to \$11,000,000 in Qualified Low Income Community Investments by CSCDC 24 LLC to Desert College Financing Corp. (College of the Desert), City of Indio, County of Riverside, California

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### **SPONSOR BACKGROUND:**

Desert Community College District (aka College of the Desert (COD)) is a public community college based in California's Coachella Valley. COD was founded in 1958 and opened its doors at its Palm Desert location for the first time in September 1962. Over time, COD has expanded its reach to bring educational opportunities to more communities, with satellite campuses located in Desert Hot Springs, Mecca/Thermal, Palm Springs, and Indio. As a two-year college, COD offers transfer students an affordable option for starting college and transferring to a four-year institution. COD is the number one source of transfer students to California State University at San Bernardino. COD also offers a number of popular vocational and technical programs, including Nursing and Health Sciences, Digital Design and Production, Advanced Transportation Technologies, Culinary Arts, and a full range of Administration of Justice courses at the Public Safety Academy training facility. In 2018-19, COD served over 16,000 students. Approximately 85% of COD students are people of color.

### **PROJECT OVERVIEW:**

COD has requested that CSCDC provide up to \$11,000,000 in New Markets Tax Credit (NMTC) to support further expansion of COD's Indio campus. The project involves the construction of a new 67,000 SF, three-story, state-of-the-art education center building, renovation of 10,000 SF of the original campus building, and outdoor site improvements to better link the two buildings.

The new building will include an enlarged Student Success Center and student health offices. It will significantly expand the instructional facilities with new classrooms, science laboratories, lecture halls, computer labs, expanded faculty office space, a student dining commons and study spaces.

Renovations to the existing building include the removal of various campus level functions that are to be housed in the new building, the enclosure of the breezeway, and the conversion of the newly available spaces into additional instructional and student study spaces. Site improvements include parking lots, landscape buffers, and vehicular circulation for the new enlarged campus.

This is COD's second financing with CSCDC. In August, 2022, CSCDC provided \$8,500,000 in NMTCs for COD's Child Development Center project.

**COMMUNITY OUTCOMES:**

**Job-Related Outcomes**

- The project is expected to result in 89 permanent FTE jobs.
- 100% of COD employees will receive wages exceeding the local living wage (currently \$18.86/hour for Riverside County).
- 100% of COD's permanent full-time employees are eligible for employee benefits including health insurance, paid time off, and retirement savings. COD employees have access to job training, professional development, and opportunities for career advancement.
- Approximately 25% of the new permanent jobs will be accessible to individuals with a high-school level education or less.

**Community Goods & Services**

- The existing Indio Campus serves over 4,000 students annually. COD's Indio Campus Expansion project will allow COD to serve more than 10,000 students annually, once fully operational.
- Approximately 94% of current students at the COD Indio campus are people of color, with 90% of students identifying as Hispanic/Latinx. Approximately 85% of the students are from low-income households. COD's students are often the first in their families to pursue post-secondary education.

**ADVISORY BOARD APPROVAL:**

On October 17, 2023, CSCDC's Advisory Board unanimously recommended approval of the Project.

**FINANCE TEAM:**

- Tax Credit Investor: U.S. Bancorp Community Development Corporation
- Investor Counsel: Leverage Law Group
- CSCDC Counsel: Applegate & Thorne-Thomsen

**ESTIMATED SOURCES AND USES:**

**Sources of Funds:**

CSCDC NMTCs:	\$ 11,000,000
Other CDEs NMTCs:	\$ 55,810,000
Sponsor Equity:	<u>\$ 7,914,900</u>
Total Sources:	\$ 74,724,900

**Uses of Funds:**

Acquisition:	\$ 519,065
Construction Costs:	\$ 61,731,315
Soft Costs:	\$ 7,559,000

Capitalized Interest:	\$ 705,020
Costs of Issuance:	<u>\$ 4,210,500</u>
Total Uses:	\$ 74,724,900

**DOCUMENTS:**

1. Resolutions (Attachment A)

**ACTIONS RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

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

## ATTACHMENT A

### RESOLUTION OF THE BOARD OF DIRECTORS OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

#### (Indio Expansion)

At a meeting duly called on February 8, 2024, the Board of Directors (the “Board”) of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the “Allocatee”), for itself and in its capacity as managing member of the Sub-CDE (defined below), does hereby adopt the following resolutions:

**WHEREAS**, the Allocatee and CSCDC 24 LLC, a California limited liability company (“Sub-CDE”), were organized for the purpose of participating in the federal New Markets Tax Credit (“NMTC”) program, designed by Congress to encourage investment in (i) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (ii) businesses and nonprofits active in low-income communities; and (iii) the provision of technical assistance and other services to businesses active in low-income communities; and

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

**WHEREAS**, Allocatee was certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a CDE, and Allocatee submitted an Eighteenth Round (2021) New Markets Tax Credit Allocation Application (the “Application”); and

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

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

**WHEREAS**, Allocatee, as managing member, and CSCDC Manager, LLC, a Delaware limited liability company, as the non-managing member (the “Withdrawing Member”), entered into that certain operating agreement of Sub-CDE with an effective date of November 1, 2022 (the “Initial Sub-CDE Operating Agreement”) to govern Sub-CDE; and

**WHEREAS**, pursuant to that certain Sub-Allocation Agreement to be dated on or about the funding date of the Initial CDE Investment (defined below), Allocatee will sub-allocate a portion of the Allocation in an amount equal to \$11,000,000 to Sub-CDE; and

**WHEREAS**, it is anticipated that on the funding date of the Initial CDE Investment, Withdrawing Member will withdraw as a member of Sub-CDE, Allocatee will admit Twain Investment Fund 752, LLC, a Missouri limited liability company (the “Investor Member”) as the 99.99% member of Sub-CDE, and the Investor Member and Allocatee will amend and restate the Initial Sub-CDE Operating Agreement in its entirety (as amended and restated, the “A&R Sub-

CDE Operating Agreement”) pursuant to which Investor Member will make an equity investment in the Sub-CDE in the amount of \$11,000,000 (the “Initial CDE Investment”); and

**WHEREAS**, it is anticipated that on the funding date of the Initial CDE Investment, the Initial CDE Investment will be designated as a “qualified equity investment” as such term is defined in Section 45D of the Code (“QEI”); and

**WHEREAS**, in accordance with the A&R Sub-CDE Operating Agreement, Sub-CDE will use substantially all of the QEI proceeds to make one or more loans to Desert College Financing Corp., a California nonprofit public benefit corporation (the “QALICB”) in the aggregate original principal amount of up to \$11,000,000 (collectively, the “CDE Loan”); and

**WHEREAS**, the CDE Loan is expected to constitute a “qualified low-income community investment” as defined in Section 45D of the Code and the Treasury Regulations and Guidance (as defined in the A&R Sub-CDE Operating Agreement) for purposes of the NMTC program which has flexible, non-conventional, or non-conforming terms and conditions; and

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

**NOW, THEREFORE, BE IT**

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

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

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

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

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

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

**IN WITNESS WHEREOF**, the Board of Directors of Allocatee have executed and adopted these Resolutions at its meeting duly called and held on February 8, 2024 at which a quorum of the Board of Directors was present or represented.

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Brian Moura, Board President

## EXHIBIT A

### TRANSACTION DOCUMENTS

1. New Markets Tax Credit Indemnification Agreement, by Allocatee and Sub-CDE for the benefit of U.S. Bancorp Community Development Corporation, a Minnesota corporation ("U.S. Bank").
2. A&R Sub-CDE Operating Agreement.
3. New Markets Fee and Expense Agreement, by and among QALICB, the Allocatee, Sub-CDE, and Desert Community College District, a California community college district ("Sponsor").
4. Fund Sponsor Fee Agreement made by and among Investor Member, Allocatee, and Sub-CDE.
5. Sub-Allocation Agreement by and between Allocatee and Sub-CDE.
6. Loan Agreement, by and among Sub-CDE, BCCCXXIII, LLC, a California limited liability company, Clearinghouse NMTC (Sub 73), LLC, a California limited liability company, New Markets Community Capital XXXVIII, LLC, a Delaware limited liability company, Prestamos Sub-CDE 27, LLC, a Delaware limited liability company, Self-Help New Markets 18, LLC, a North Carolina limited liability company, USBCDE Sub-CDE 243, LLC, a Missouri limited liability company (collectively, the "CDE Lenders"), as lender, and QALICB, as borrower.
7. Community Benefits Agreement, by and among Sponsor, QALICB, and the CDE Lenders.
8. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by Sub-CDE and Allocatee.
9. Bank Account Pledge Agreement (Disbursement Account) by and among the CDE Lenders and QALICB.
10. Deposit Account Control Agreement (Disbursement Account) by and among the CDE Lenders, QALICB, and U.S. Bank.
11. Bank Account Pledge Agreement (Fee Reserve) (CSCDC) by and between Sub-CDE and QALICB.
12. Deposit Account Control Agreement (Fee Reserve) (CSCDC) by and among the Sub-CDE, QALICB, and U.S. Bank.

13. Construction Monitoring and Disbursement Agreement by and among QALICB and the CDE Lenders.
14. [College of the Desert – Indio Expansion FNMTC Flow of Funds Memorandum] by and among Allocatee, Sub-CDE, and certain other parties thereto.
15. Electronic Signatures Agreement by and among Allocatee, Sub-CDE, and certain other parties thereto.
16. California Judicial Reference Agreement by and among Allocatee, Sub-CDE, and certain other parties thereto.
17. Other related documents.