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**July 25, 2024**

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**REGULAR MEETING AGENDA**

**July 25, 2024 at 2:00 PM**

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

Telephonic Locations:

709 Portwalk Place  
Redwood City, CA 94065

3124 Chesapeake Bay Avenue  
Davis, CA 95616

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

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

9105 Highway 101 South  
Tillamook, OR 97141

32920 Road 140  
Visalia, CA 93292

*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 July 11, 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. Vintage at Folsom LP (Vintage at Folsom), City of Folsom, County of Sacramento; issue up to \$40,000,000 in multifamily housing revenue bonds.
  
6. CFD No. 2024-08 (Verano (PA 3))
  - a. Consider the following resolutions to initiate proceedings to form California Statewide Communities Development Authority Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California:
    1. A resolution approving joint community facilities agreements and declaring intention to establish Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California, and to levy special taxes therein to finance certain public improvements; and
    2. A resolution to incur bonded indebtedness to finance certain public improvements within Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California, and calling for a public hearing.
  
7. CFD No. 2024-09 (Rio del Oro)
  - a. Consideration of a resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro) Special Tax Bonds, Series 2024, in an aggregate principal amount not to exceed \$9,000,000; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.
  - b. Conduct second reading and adoption of “Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following Fiscal Years solely within and relating to California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro), County of Yuba, State of California.”
  
8. Consideration of a Joint Exercise of Powers Agreement between CSCDA and the City of Goleta, County of Santa Barbara.

9. Consideration of a resolution authorizing an indemnification agreement with Petros PACE Administrator related to five outstanding commercial Open PACE bonds.

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

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

**NEXT MEETING:** Thursday, August 1, 2024 at 2:00 PM

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

1. Inducement of Rancho Niguel Community Partners, LP (Rancho Niguel Apartments), City of Laguna Hills, County of Orange; issue up to \$35 million in multi-family housing revenue bonds.
2. Inducement of Brandon Place, LP (Brandon Place Apartments), City of Riverside, County of Riverside; issue up to \$40 million in multi-family housing revenue bonds.
3. Inducement of NCRC Prisma, LP (Prisma Artists Lofts), City of Pomona, County of Los Angeles; issue up to \$45 million in multi-family housing revenue bonds.
4. Inducement of JCI Development, Inc. (Yuba City Seniors Apartments), City of Yuba City, County of Sutter; issue up to \$40 million in multi-family housing revenue bonds.
5. Inducement of JCI Development, Inc. (The Park Apartments), City of Fresno, County of Fresno; issue up to \$45 million in multi-family housing revenue bonds.
6. Consider and approve the levy of special taxes for fiscal year 2024-2025 for the following:
  - (i) Community Facilities District No. 2022-08 (Fancher Creek);
  - (ii) Community Facilities District No. 2007-01 (Orinda Wilder Project);
  - (iii) Community Facilities District No. 2018-03 (Uptown Newport);
  - (iv) Community Facilities District No. 2016-02 (Delta Coves) Improvement Area Nos. 1 & 2;
  - (v) Community Facilities District No. 2015-01 (University District) Improvement Area Nos. 1, 2 & 3;
  - (vi) Community Facilities District No. 2021-01 (Meadowlands);
  - (vii) Community Facilities District No. 2019-01 (333 North Prairie);
  - (viii) Community Facilities District No. 2020-01 (Sand Creek);
  - (ix) Community Facilities District No. 2021-03 (Laurel Ranch);
  - (x) Community Facilities District No. 2022-01 (Tirador);
  - (xi) Community Facilities District No. 2022-03 (Sheldon Farms);
  - (xii) Community Facilities District No. 2022-04 (Pioneer);
  - (xiii) Community Facilities District No. 2022-05 (Parkside);
  - (xiv) Community Facilities District No. 2022-06 (Prudler);
  - (xv) Community Facilities District No. 2022-07 (Watson Ranch) Improvement Area Nos. 1 & 2;

(xvi) Community Facilities District No. 2022-10 (Promenade at Sand Creek);

(xvii) Community Facilities District No. 2018-01 (Wagon Wheel);

(xix) Community Facilities District No. 2015-02 (Rio Bravo);

(xxi) Community Facilities District No. 2024-09 (Rio Del Oro).

July 25, 2024



## MINUTES

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

July 11, 2024 at 2:00 pm

Commission Chair Brian Moura called the meeting to order at 2:00 pm.

1. Roll Call.

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

Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Perry Stottlemeyer, Cal Cities; Rob Pierce, CSAC Finance Corporation; Trisha Ortiz, Richards Watson & Gershon; and Palak Taneja, Orrick, Herrington & Sutcliffe.

2. Consideration of the Minutes of the June 20, 2024 Regular Meeting.

The Commission approved the June 20, 2024 Regular Meeting minutes.

***Motion to approve by K.O'Rourke. Second by N.Srivatsa. Unanimously approved by roll-call vote. J.Erb not available for vote.***

3. Consent Calendar

The Commission approved the Consent Calendar.

1. Consideration of a resolution making certain determinations associated with placing assessment on the Ventura County tax roll.

***Motion to approve by J.Kaufman. Second by N.Srivatsa. Unanimously approved by roll-call vote. J.Erb not available for vote.***

4. Public Comment.

***No public comment.***

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

- a. John Muir Health, Cities of Concord and Walnut Creek, County of Contra Costa; issue up to \$550 million in nonprofit health facility revenue bonds.

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

- b. Second St. Andrews Preservation Limited Partnership (Second St. Andrews Apartments), City of Los Angeles, County of Los Angeles; issue up to \$23,000,000 in multifamily housing revenue bonds.

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

- c. Panorama II Preservation Limited Partnership (Panorama View Apartments), City of Los Angeles, County of Los Angeles; issue up to \$30,000,000 in multifamily housing revenue bonds.

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

- d. Two Worlds II Preservation Limited Partnership (Two Worlds Apartments), City of Los Angeles, County of Los Angeles; issue up to \$28,000,000 in multifamily housing revenue bonds.

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

6. CFD No. 2024-09 (Rio del Oro) – Formation:

1. Conduct proceedings with respect to California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro), County of Yuba, State of California (Rio del Oro CFD):

- a. Open Rio del Oro CFD public hearing.
- b. Close Rio del Oro CFD public hearing.

***Motion to close the public hearing by N.Srivatsa. Second by J.Erb. Unanimously approved by roll-call vote.***



2. Conduct following actions with respect to the Rio del Oro CFD:

- a. Consideration of a resolution of formation, among other things, establishing the Rio del Oro CFD and providing for the levy of a special tax therein to finance certain public improvements.

***Motion to approve by K. ORourke. Second by N. Srivatsa. Unanimously approved by roll-call vote.***

- b. Consideration of a resolution deeming it necessary to incur bonded indebtedness to finance certain public improvements to mitigate the impacts of development within the Rio del Oro CFD.

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

- c. Consideration of a resolution calling special mailed-ballot election within the Rio del Oro CFD.

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

- d. Conduct special mailed ballot election for the Rio del Oro CFD.

- e. Consideration of a resolution declaring results of special mailed-ballot election within the Rio del Oro CFD.

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

- f. Conduct first a reading of Ordinance Levying a Special Tax in the Rio del Oro CFD.

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

7. Statewide Community Infrastructure Program (SCIP)

1. Consideration of a resolution abandoning proceedings in the Statewide Community Infrastructure Program Assessment District No. 24-01 (Belcourt Place) City of El Monte, County of Los Angeles.

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

2. Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) community facilities districts (CFDs) for Series 2024B or a future bond issuance:

- a. Resolutions approving joint community facilities agreements and declaring intention to establish CFDs, to designate improvement areas

therein, and to levy special taxes therein to finance certain public improvements and fees and to levy special taxes therein;

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

- b. Resolutions declaring intention to annex territory to an existing CFD, to designate improvement areas therein and to levy a special tax therein to finance certain public improvements and certain development impact fees; and

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

3. Resolutions to incur bonded indebtedness to finance certain public improvements and fees within the CFDs and calling for a public hearing.

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

- 8 Consideration of agreement with the BLX Group relating to SCIP.

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

9. Executive Director Update.

***2024 Fall Meeting likely to be in San Diego area.***

10. Staff Update.

***Staff had no update.***

11. Adjourn.

The meeting was adjourned at 2:21 p.m.

Submitted by: James Hamill, Bridge Strategic Partners

**NEXT MEETING:** Thursday, July 25, 2024 at 2:00 PM



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

## Agenda Item No. 3

### Agenda Report

**DATE:** July 25, 2024  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Barna, Executive Director  
**PURPOSE:** Consent Calendar

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6. Consider and approve the levy of special taxes for fiscal year 2024-2025.

Documents:

<https://www.dropbox.com/scl/fo/38q6hojiaosp27eympvba/ALHxWiC9DfhSSxMPUEpOiVM?rlkey=y1fkzli22frmyyo5b110wd11q&dl=0>

**RESOLUTION NO. 24H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY SETTING  
FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE  
MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE  
THE FINANCING OF VARIOUS MULTIFAMILY RENTAL  
HOUSING PROJECTS AND RELATED ACTIONS**

**WHEREAS**, the Authority is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

**WHEREAS**, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

**WHEREAS**, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

**WHEREAS**, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

**WHEREAS**, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

**WHEREAS**, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

**WHEREAS**, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the “Committee”) for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

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

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this July 25, 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 said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on July 25, 2024.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Rancho Niguel Apartments	City of Laguna Hills, County of Orange	51	Acquisition and Rehabilitation	Rancho Niguel Community Partners, LP	\$35,000,000
Brandon Place Apartments	City of Riverside, County of Riverside	197	Acquisition and Rehabilitation	Brandon Place, LP	\$40,000,000
Prisma Artists Lofts	City of Pomona, County of Los Angeles	75	New Construction	NCRC Prisma, LP	\$45,000,000
Yuba City Seniors Apartments	City of Yuba City, County of Sutter	137	New Construction	JCI Development, Inc.	\$40,000,000
The Park Apartments	City of Fresno, County of Fresno	161	New Construction	JCI Development, Inc.	\$45,000,000



## Agenda Item No. 5a

### Agenda Report

**DATE:** July 25, 2024

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Barna, Executive Director

**PROJECT:** Vintage at Folsom Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Folsom, County of Sacramento

**AMOUNT:** Not to Exceed \$40,000,000

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#### **EXECUTIVE SUMMARY:**

Vintage at Folsom Apartments (the “Project”) is the new construction of a 136-unit rental housing project located in the City of Folsom. 80% of the units will be rent restricted for very-low and low-income senior tenants.

#### **PROJECT DESCRIPTION:**

- Construction of a 136-unit affordable rental housing facility located at 103 East Natoma Street in the City of Folsom.
- One three-story residential building located on a 4.8-acre site.
- Consists of 98 one-bedroom units, 37 two-bedroom units and one manager unit.
- Property includes a Courtyard, Community Room and Kitchen, Game Rooms, Craft Room, Media Center, Fitness Center and Swimming Pool.

#### **PROJECT ANALYSIS:**

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

Vintage Housing Development, Inc. (“Vintage Housing”) has been developing and operating apartment homes for income qualified families and active seniors for over ten years. With communities throughout California, Washington, Nevada, Oregon, and Missouri, Vintage has a variety of properties with amenities to meet the needs of its residents. Vintage Housing’s apartments for seniors provide their respective city and surrounding areas with quality affordable retirement housing for independent seniors ages 55 and older. Additionally, a specified number of units in various locations are made available for seniors with disabilities. All of the Vintage Housing properties for seniors offer a wide variety of amenities which may include on-site property



management services, arrangements for grocery delivery, pharmacy delivery, monthly newsletters, a wellness program administered by visiting physicians, and organized activities and trips in conjunction with local senior citizen organizations and controlled building entry for enhanced resident security. The Project is Vintage Housing's seventh financing with CSCDA.

**Public Agency Approvals:**

**TEFRA Hearing and Approval:** April 9, 2024 – City of Folsom

**CDLAC Approval:** December 6, 2023

**Public Benefits:**

- 80% of the units will be rent restricted for 55 years.
  - 10% (14 units) restricted to 30% or less of area median income households.
  - 10% (14 units) restricted to 50% or less of area median income households.
  - 80% (80 units) restricted to 60% or less of area median income households.
  - One manager unit.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 25,012,924
Taxable Bonds:	\$ 8,214,112
Tax Credit Equity:	\$ 2,559,757
Income:	\$ 1,937,725
Deferred Reserves:	\$ 454,757
Deferred Developer Fee:	<u>\$ 4,279,726</u>
Total Sources:	\$ 42,459,001

Uses of Funds:

Acquisition:	\$ 2,000,000
Construction Costs:	\$ 25,762,000
Architecture & Engineering:	\$ 850,000
Capitalized Interest:	\$ 4,302,683
Operating Reserve	\$ 454,757
Developer Fee:	\$ 4,279,726
Costs of Issuance:	\$ 189,500
Soft Costs:	<u>\$ 4,620,335</u>
Total Uses:	\$ 42,459,001

**Finance Partners:**

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco  
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento  
Underwriter: Stifel, Nicolaus & Company, Incorporated

**Finance Terms:**

**Rating:** Aaa (Moody's) – Fannie Mae Secured)  
**Term:** 35 years  
**Method of Sale:** Public Offering  
**Estimated Closing:** August 15, 2024

**CSCDA Policy Compliance:**

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

**DOCUMENTS:**

<https://www.dropbox.com/scl/fo/vae33a8a07eeq3xo32e33/AM26xpJOc1PG93ikftJANJ4?rlkey=4jsiqgqxshwltfpumb6g73i0m&dl=0>

**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.



## Agenda Item No. 6

### Agenda Report

**DATE:** July 25, 2024

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Barna, Executive Director

**PROJECT:** Verano (City of Cathedral City) – Community Facilities District

**PURPOSE:** CSCDA Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside

1. A resolution approving joint community facilities agreements and declaring intention to establish Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California, and to levy special taxes therein to finance certain public improvements; and
2. A resolution to incur bonded indebtedness to finance certain public improvements within Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California, and calling for a public hearing.

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#### EXECUTIVE SUMMARY:

The action requested today is first step in the formation of a second community facilities district for Verano (the “Project”) located in the City of Cathedral, County of Riverside (the “City”).

- On October 19, 2023, the Commission formed Community Facilities District No. 2023-07 for a portion of a development project, consisting of 517 planned residential dwelling units with approximately 459 detached single-family units and 58 townhomes (“Phase 1”) to finance certain public improvements.
- The current request is to establish a community facilities district known as “California Statewide Communities Development Authority Community Facilities District No. 2024-08 (Verano (PA 3)), to finance certain public improvements for the remainder of the Project, consisting of 375 planned residential dwelling units with approximately 170 detached single family units, 131 attached single family units, and 74 townhomes (“Phase 2”) for the City of Cathedral City and the Coachella Valley Water District (the “District”)

The public improvements include a water reservoir that will be owned and managed by the Coachella Valley Water District (CVWD). Both the City and the District have approved CSCDA's formation and issuance of bonds for the Project.

**BACKGROUND:**

Northlight Capital Partners LLC, (Northlight) acquired 138 acres of residential development land from the bankrupt estate of Verano Recovery LLC. The Verano Master Planned Community is located in Cathedral City, approximately ten minutes from the Palm Springs Airport. The Project includes 892 partially platted lots entitled for a variety of detached single family residential and multifamily units.

This is the fourth residential land transaction by Northlight over the past 12 months. The investments include locations in Denver, CO, Aurora, CO, Prescott, AZ and Cathedral City, CA. Additionally, this is Northlight's second residential development investment in the Coachella Valley over the past several years.

The financing will not exceed \$16 million, and will be completed in multiple phases. The approval of the financing will be brought back to the Commission.

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

CSCDA's Executive Director recommends approving the following resolutions:

1. A resolution approving joint community facilities agreements and declaring intention to establish Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California, and to levy special taxes therein to finance certain public improvements; and
2. A resolution to incur bonded indebtedness to finance certain public improvements within Community Facilities District No. 2024-08 (Verano (PA 3)), City of Cathedral City, County of Riverside, State of California, and calling for a public hearing on September 5, 2024.

Documents: <https://www.dropbox.com/scl/fo/v40sxnia6qieaae9g9j7e/AEe2bma6yLHGiesymfLIW-g?rlkey=pqjq2ozxks555usnrb018ttt&dl=0>



## Agenda Item No. 7

### Agenda Report

- DATE:** July 25, 2024
- TO:** CSCDA COMMISSIONERS
- FROM:** Cathy Barna, Executive Director
- PROJECT:** Rio del Oro (County of Yuba) – Community Facilities District
- PURPOSE:**
- a. Consideration of a resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro) Special Tax Bonds, Series 2024, in an aggregate principal amount not to exceed \$9,000,000; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.
  - b. Conduct second reading and adoption of “Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following Fiscal Years solely within and relating to California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro), County of Yuba, State of California.”

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#### EXECUTIVE SUMMARY:

The action requested today is the final step for the issuance of bonds relating to the Rio del Oro Community Facilities District (CFD) located in the County of Yuba (the “County”). The CFD will finance public improvements and impact fees for the County of Yuba and the Olivehurst Public Utility District (the “District”). The Commission approved the resolution of intention to form the CFD on June 6, 2024, and the public hearing was held on July 11, 2024. The CFD will be formed today after the second reading of the ordinance.

Rio del Oro is a new residential development located in the County of Yuba. The developer of Rio Del Oro is Lennar. Rio Del Oro is planned for over 300 single-family homes, and is currently under development.

**FINANCE PARTNERS:**

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento  
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento  
Underwriter: RBC Capital Markets, San Francisco  
Special Tax Consultant: David Taussig & Associates, Newport Beach

**ESTIMATED SOURCES & USES:**

<b>Estimated Sources and Uses of Funds</b>	
<b>Sources of Funds</b>	
Par Amount	\$7,955,000
Original Issue Premium	90,077
<b>Total Sources</b>	<b>\$8,045,077</b>
<b>Uses of Funds</b>	
Deposit to Project Fund	\$6,476,408
Capitalized Interest Fund	415,428
Debt Service Reserve Fund	696,892
Costs of Issuance	297,250
Underwriter's Discount	159,100
<b>Total Uses</b>	<b>\$8,045,077</b>
<b>SB 450 Information</b>	
True Interest Cost of the Bonds	5.067%
Finance Charge of the Bonds	\$456,350
Proceeds received from Sale of Bonds	\$6,476,408
Total Debt Service on the Bonds	\$16,750,178

The financing complies with CSCDA's issuance and land-secured financing policies.

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

CSCDA's Executive Director recommends approving the following resolution and conducting the second reading of the ordinance:

- a. Consideration of a resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro) Special Tax Bonds, Series 2024, in an aggregate principal amount not to exceed \$9,000,000; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

- b. Conduct second reading and adoption of “Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following Fiscal Years solely within and relating to California Statewide Communities Development Authority Community Facilities District No. 2024-09 (Rio del Oro), County of Yuba, State of California.”

Documents: <https://www.dropbox.com/scl/fo/kycq6j4xfwnplh47351fq/ALJrEsyhmzFiZWZ8YP5F-PI?rlkey=mw5fa1bpxmglezpq7nkmgrvw8&dl=0>



## **Agenda Item No. 8**

### **Agenda Report**

**DATE:** July 25, 2024

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Barna, Executive Director

**PURPOSE:** Consideration of a Joint Exercise of Powers Agreement between CSCDA and City of Goleta, County of Santa Barbara.

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#### **EXECUTIVE SUMMARY:**

The City of Goleta (the "City"), located in Santa Barbara County, has requested that CSCDA enter into a new joint exercise of powers agreement, creating the Goleta Facilities Financing Authority (the "Authority"), to assist with the financing of capital improvement projects for the City.

#### **BACKGROUND & SUMMARY:**

The City has a significant 101 freeway overpass project, long in development and approved by the City and the Santa Barbara County Association of Governments, that may include regional transportation financing components as well as transportation sales tax bonds and lease revenue bonds which are proposed for issuance by the newly formed Authority. In order to form the joint powers authority, the City needed to find an eligible public entity to be the counterparty to a joint exercise of powers agreement.

- The governing board of the Authority will consist of the members of the Goleta City Council. The administration and operation of the Authority will be provided by City staff.
- CSCDA will be the only other member to the Authority. Standard limitations on liability and indemnification are contained in the Joint Exercise of Powers Agreement between the City and CSCDA.
- CSCDA has previously entered into similar joint powers agreements to assist the San Bruno Park School District, Cameron Park Community Services District, San Dieguito Union High School District, Alameda County Flood Control and Water Conservation District, Zone 7, City of Orange, City of Martinez, West County Wastewater District, City of Dublin, Mountain House Community Services District, El Toro Water District, City of St. Helena, City of Laguna Beach, City of Santa



Barbara, Hidden Lakes CSD, Laguna Beach County Water District in connection with similar financings.

- CSCDA will charge the City its standard facilitation fee of \$10,000.
- Orrick, Herrington & Sutcliffe are serving as bond counsel. CSCDA's General Counsel has reviewed the Joint Exercise of Powers Agreement.

**RECOMMENDED ACTION:**

CSCDA's Executive Director recommends that the Commission approve the resolution to authorize CSCDA to enter into the joint exercise of powers agreement by and between CSCDA and the City of Goleta.

Documents: <https://www.dropbox.com/scl/fo/3jjkzwwgp0e0qxez89oh2y/AFm-mVZFr-RIVOuLDqijD1I?rlkey=bgbzxpcawbfq36jmlhc1bjg6&dl=0>



## Agenda Item No. 9

### Agenda Report

**DATE:** July 25, 2024

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Barna, Executive Director

**PURPOSE:** Consideration of a resolution authorizing an indemnification agreement with Petros PACE Administrator related to five outstanding commercial Open PACE bonds.

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#### EXECUTIVE SUMMARY:

Under CDCDA's Open PACE Program, Petros PACE Administrator, LLC, as a Commercial PACE Administrator ("Petros Administrator"), and Petros PACE Finance Titling Trust, as bondowner ("Petros Bondowner"; together with Petros Administrator, "Petros"), have provided approximately \$150MM of commercial PACE financing through five bond issuances to oWOW Development, an Oakland based commercial developer, in connection with its development of three multifamily/mixed-use projects located in the Bay Area – two in the City of Oakland and one in the City and County of San Francisco.

As a result of the recent challenges with raising development equity, increased construction costs and a struggling housing market, the projects remain incomplete and in late 2023, oWOW requested from Petros forbearance of several of its impending assessment installments.

#### BACKGROUND & SUMMARY:

In lieu of payment deferral, Petros has agreed not to enforce any of its rights and remedies in connection with oWOW's failure to pay an assessment installment during an agreed upon period, as outlined below. There is no change to the amortization/payment schedules and all assessments have maintained their original maturity dates. The proposed modifications will be set forth in modification agreements ("Modification Agreements") among the individual property owners of each project and the Petros Administrator.

- **316 12<sup>th</sup> Street, Oakland, California:**
  - Forbearance Period: April 2024- Dec 2027
    - Includes installments due April 2024, Dec 2024, April 2025, Dec 2025, April 2026, Dec 2026, April 2027 and Dec 2027

- Repayment of any delinquent installments due March 1, 2029
  - Prepayment Premium waived until March 1, 2029
  - Project Completion Deadline extended to March 1, 2029
- **960 Howard, San Francisco, California:**
    - Forbearance Period: April 2024 – Dec 2026
      - Includes installments due April 2024, Dec 2024, April 2025, Dec 2025, April 2026 and Dec 2026
    - Repayment of any delinquent installments due March 1, 2027
    - Prepayment Premium waived until March 1, 2027
    - Project Completion Deadline extended to March 1, 2027
- **Webster & Harrison, Oakland, California:**
    - Forbearance Period: April 2024 - April 2025
      - Includes installments due April 2024, Dec 2024, April 2025
    - Repayment of any delinquent installments due September 1, 2025
    - Prepayment Premium waived until September 1, 2025

The proposed resolution would approve execution by CSCDA of three Consent and Indemnification Agreements, under which (i) the Petros Bondowner will consent to the Modification Agreements, (ii) the Petros Bondowner will indemnify the Authority with respect to the transactions contemplated by the Modification Agreements, (iii) Petros Administrator will confirm that the indemnification provisions of its Program Administration Agreement apply to the transactions contemplated by the Modification Agreements, (iv) the Petros Bondowner will waive its right to receive certain penalties and interest associated with delinquent Assessments and payable by the Authority, and (v) in accordance with Resolution No. 21R-16, the Authority will approve hand billing of the Assessments during the forbearance period described in the Modification Agreements as the PACE assessments have been removed from the tax rolls.

CSCDA's General Counsel has reviewed the Consent and Indemnification Agreements.

**RECOMMENDED ACTION:**

CSCDA's Executive Director recommends that the Commission approve the resolution authorizing an indemnification agreement with Petros PACE Administrator related to five outstanding commercial Open PACE bonds.

Documents:

<https://www.dropbox.com/scl/fo/o6xf8grmletfxa4ci66vw/AGkY6Y9lXAwP98Gu4S5eQ0I?rlkey=8kbbdq16j531hirojdoce71dz&dl=0>



**CSCDC**  
 CALIFORNIA STATEWIDE COMMUNITIES  
 DEVELOPMENT CORPORATION



California State Association of Counties



LEAGUE OF  
 CALIFORNIA  
 CITIES

**MEETING AGENDA**

**July 25, 2024**

**2:00 PM or upon adjournment of the CSCDA Meeting**

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

Telephonic Locations:

709 Portwalk Place  
 Redwood City, CA 94065

3124 Chesapeake Bay Avenue  
 Davis, CA 95616

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

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

9105 Highway 101 South  
 Tillamook, OR 97141

32920 Road 140  
 Visalia, CA 93292

*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, President  
 \_\_\_\_ Jordan Kaufman, Vice President  
 \_\_\_\_ 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 February 22, 2024 Meeting.

3. Public Comment.

4. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:
  - a. Approve the making of up to \$12,000,000 in qualified low-income community investments by CSCDC 26 LLC to Siskiyou County Economic Development Council (Yreka Carnegie Library Rehabilitation Project), City of Yreka, County of Siskiyou, California.
  - b. Approve the making of up to \$22,000,000 in qualified low-income community investments by CSCDC 25 LLC to Ceres Community Project (Center for Food, Youth and Community), City of Santa Rosa, County of Sonoma, California.
5. Executive Director Update.
6. Staff Updates.
7. Adjourn.



**CSCDC**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION



## MINUTES

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

February 22, 2024

11:00 AM or upon adjournment of the CaLease Meeting

Board President Tim Snellings called the meeting to order at 11:11 a.m.

1. Roll Call.

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

Others participating: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Hamill, Bridge Strategic Partners; Perry Stottlemeyer, Cal Cities; Graham Knaus, CSAC; Alan Fernandes, CSAC Finance Corporation; Rob Pierce, CSAC Finance Corporation; Sindy Young, CSAC Finance Corporation; and Tricia Ortiz, Richards Watson & Gershon.

2. Election of Officer.

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

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

3. Consideration of the Minutes of the February 8, 2024 Meeting.

The Commission approved the minutes of the February 8, 2024 Meeting.

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

4. Public Comment.

There was no public comment.

5. Executive Director Update.

Executive Director Barna had no updates.

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:** July 25, 2024

**TO:** CSCDC BOARD OF DIRECTORS

**FROM:** Cathy Barna, Executive Director

**PURPOSE:** Approve the Making of up to \$12,000,000 in Qualified Low Income Community Investments by CSCDC 26 LLC to Siskiyou County Economic Development Council (Yreka Carnegie Library Rehabilitation Project), City of Yreka, County of Siskiyou, California.

---

### **SPONSOR BACKGROUND:**

The Siskiyou County Economic Development Council (SCEDC) is a nonprofit 501c4 corporation designed to promote the overall economic development of Siskiyou County in Northern California. Founded in 1985, SCEDC's mission is to facilitate business growth, retention, and attraction to promote community prosperity. SCEDC's dynamic work includes services, investments, and infrastructure projects that grow and support businesses, build healthy economic ecosystems, create jobs, elevate workers and residents, and make Siskiyou County a desirable place to live, work, and visit.

To meet its mission, SCEDC provides a range of educational, workforce development, and economic development programs. Following are several examples:

- Business Innovation and Incubation Center (iHub) – One of 13 designated centers in California, the iHub provides business incubation and innovation programs that link business and entrepreneurs in agriculture, clean energy, outdoor recreation, and tourism with dedicated expertise and resources to start or accelerate a business.
- SCEDC's Beginning Farmer/Rancher program provides technical assistance for next generation livestock farmers and ranchers, focusing on land transitions, capacity building, and access to capital.
- Siskiyou Farm Co – this program seeks to establish a resilient, innovative, and sustainable local food economy by connecting agriculture and food producers to local markets, resources, and technical assistance. One element, the Siskiyou online market, allows consumers to order and pick up food goods from a network of local producers.
- Small Business Development Center – provides comprehensive 1:1 counseling and training sessions for entrepreneurs, including all aspects of planning, funding, operating, and growing their business.



## **PROJECT OVERVIEW:**

SCEDC has requested that CSCDC provide up to \$12,000,000 in New Markets Tax Credit (NMTC) for the renovation and revitalization of the historic Carnegie Library in downtown Yreka. The building, designed by W.H Weeks and completed in 1915, was added to the National Register of Historic Places in 1992. The building served as a public library from 1915-1970 and housed the Yreka police department from 1970-2019. After the police department moved out, the City of Yreka conducted a competitive process to lead the Carnegie Library's adaptive reuse plan. SCEDC was selected by the City for its innovative and forward-thinking approach to the project.

SCEDC's plan involves renovation and adaptive reuse of the 4,440 SF facility and 18,052 SF exterior space to create a venue for expanded business education, incubation, and innovation services; conferences and events; and tourism. The Carnegie Library adaptive reuse plan has received broad support, including a USDA RISE award, selection for the State of California's Community Economic Resilience Fund (CERF) Pilot Program, and recognition in the City of Yreka's Recreation Economy for Rural Communities Action Plan (US EPA).

The project also includes renovation and adaptive reuse of the "Annex Building," a 2,400 SF single-story office building located next door to the Carnegie Library building at 404 W. Miner Street in downtown Yreka. SCEDC purchased the Annex Building property in May 2024. The property was also formerly used as office space by the Yreka police department. SCEDC plans to use the Annex Building for additional office space for its staff, with the street-facing portion of the building potentially to be leased to a small business in the future.

## **COMMUNITY OUTCOMES:**

### **Job-Related Outcomes**

- The project is expected to create/retain 17 FTE permanent jobs (13 retained jobs and 4 new jobs).
- 100% of SCEDC employees are expected to receive wages exceeding the local living wage.
- 100% of SCEDC's permanent full-time employees are eligible for benefits. Benefits include paid holidays, paid time off, health insurance (medical, dental, vision), employer-paid life and disability insurance, retirement plan with up to 10% matched, job training, professional development, and career advancement.

### **Community Goods & Services**

The project will allow SCEDC to expand its small business innovation and incubation programs, add a visitor center, and provide the community with a conference and event center. Following are examples of SCEDC program growth that is expected to occur as a result of the project:

- SCEDC's AGccelerator (Agriculture) provides access to expert consultants, workshops, trainings, peer-to-peer networking, and up to \$1,500 in professional services to help local agricultural businesses build resilient companies. The Carnegie Library expansion will increase the AGccelerator's capacity from 60 businesses annually, up to 1,000 businesses.
- The Carnegie expansion will allow SCEDC to replicate the AGccelerator's success with two new focused accelerators built for Outdoor Recreation and Tourism businesses.
- SCEDC will enroll 615 new farmers and ranchers into its 1:1 Beginning Farmer/Rancher technical assistance program (see above).
- SCEDC's Small Business Development Center served 150 entrepreneurs in 2022. The project will allow SCEDC to serve 500 entrepreneurs.

- The project will allow SCEDC to increase online purchases of locally grown foods through the Siskiyou Farm Co’s online market, from 300 purchases in 2022, up to 1,200 purchases annually. The network of agriculture and food producers will expand from 30 producers currently, up to 300.

**ADVISORY BOARD APPROVAL:**

On September 27, 2023, CSCDC’s Advisory Board unanimously recommended approval of the Project.

**FINANCE TEAM:**

- Tax Credit Investor: U.S. Bank
- Investor Counsel: Nixon Peabody LLP
- CSCDC Counsel: Kutak Rock, LLP

**ESTIMATED SOURCES AND USES:**

<b>Sources</b>		
Cash on Hand		\$765,727
Bridge Loan		\$1,424,860
Donation from Prior Cost Reimbursements		\$3,758,861
Seller Note from City		\$180,000
Planning Grants		\$395,000
NMTC Subsidy / B QLICs		\$2,064,800
<b>Total Sources</b>		<b>\$8,589,249</b>
<b>Uses</b>		
Acquisition		\$180,000
Hard Costs		\$3,512,846
Soft Costs		\$1,156,861
Prior Incurred Operating Expenses		\$2,832,393
NMTC Costs		\$892,900
Bridge Loan Costs		\$14,249
<b>Total Uses</b>		<b>\$ 8,589,249</b>

**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  
(*Siskiyou County Economic Development Council*)**

At a meeting duly called on July 25, 2024 (the “*Meeting Date*”), 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” the Sub-CDE (defined below), does hereby adopt the following resolutions:

**WHEREAS**, the Allocatee and CSCDC 26 LLC, a California limited liability company (the “*Sub-CDE*”), were organized for the purpose of participating in the federal New Markets Tax Credit (“*NMTC(s)*”) 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 such CDE; and

**WHEREAS**, the Allocatee was certified by the Community Development Financial Institutions Fund (the “*CDFI Fund*”) as a CDE, and the Allocatee submitted an Nineteenth Round (2022) NMTC Allocation Application to the CDFI Fund (the “*Application*”); and

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

**WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended (the “*Code*”), in the amount of \$60,000,000 of NMTC authority (the “*Allocation*”) in connection with the Application; and

**WHEREAS**, the 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 the Sub-CDE, with an effective date of October 4, 2023 (the “*Initial Sub-CDE Operating Agreement*”) to govern the Sub-CDE; and

**WHEREAS**, pursuant to that certain Sub-Allocation Agreement, to be dated on or before the funding date of the Initial CDE Investment (defined below), the Allocatee will sub-allocate a portion of the Allocation, in an amount not to exceed \$12,000,000, to the Sub-CDE; and

**WHEREAS**, it is anticipated that on the funding date of the Initial CDE Investment, the Withdrawing Member will withdraw as a member of the Sub-CDE, the Allocatee will admit Broadstreet Investment Fund 7, LLC, a Delaware limited liability company (the “*Investor Member*”), as the 99.99% member of the Sub-CDE, and the Investor Member and the 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 the Investor Member will make an equity investment in the Sub-CDE in the amount of up to \$12,000,000 (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 (the “*QEI*”); and

**WHEREAS**, in accordance with the A&R Sub-CDE Operating Agreement, the Sub-CDE will use substantially all of the QEI proceeds to make one or more loans to Siskiyou County Economic Development Council, a California nonprofit public benefit corporation (the “*Project Borrower*”) in the aggregate original principal amount of up to \$12,000,000 (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 the Allocatee enter into certain transaction documents, for itself and in its capacity as the managing member of the Sub-CDE, in connection with the above described transactions and the 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 the Allocatee and on behalf of the Allocatee as managing member of the 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 each Authorized Signatory, 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 the Allocatee or the Sub-CDE (as managing member of the Sub-CDE), as the case may be, with all of the terms, covenants and conditions of the Transaction Documents on the part of the Allocatee or the Sub-CDE (as managing member of the 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 an Authorized Signatory, in the name and on behalf of the Allocatee or the Sub-CDE (as managing member of the Sub-CDE), as the case may

be, in connection with the transactions, be, and the same hereby are, consented to in all respects and are hereby ratified, confirmed and approved;

**RESOLVED**, that each Authorized Signatory, 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 the Allocatee and/or the 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 has executed and adopted these Resolutions at its meeting duly called and held on the Meeting Date, at which a quorum of the Board was present or represented.

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Brian Moura, Board President

## EXHIBIT A

### TRANSACTION DOCUMENTS

1. New Markets Tax Credit Indemnification Agreement, by the Allocatee and the Sub-CDE for the benefit of U.S. Bancorp Community Development Corporation, a Minnesota corporation (“*USBCDC*”).
2. The A&R Sub-CDE Operating Agreement.
3. New Markets Fee and Expense Agreement, by and among the Project Borrower, the Allocatee, and the Sub-CDE.
4. Fund Sponsor Fee Agreement, by and among the Investor Member, the Allocatee, and the Sub-CDE.
5. Sub-Allocation Agreement, by and between the Allocatee and the Sub-CDE.
6. Loan Agreement, by and between the Sub-CDE and the Project Borrower.
7. Community Benefits Agreement, by and among the Project Borrower and the Sub-CDE.
8. Blocked Account Control Agreement (CSCDC Reserve Account), by and among the Sub-CDE, the Project Borrower, and U.S. Bank National Association, a national banking association (“*U.S. Bank*”).
9. Bank Account Pledge Agreement (Disbursement Account), by and between the Sub-CDE and the Project Borrower.
10. Blocked Account Control Agreement (Disbursement Account), by and among the Sub-CDE, the Project Borrower, and U.S. Bank.
11. Bank Account Pledge Agreement (CSCDC Reserve Account), by and between the Sub-CDE and the Project Borrower.
12. Disbursing Agreement, by and among the Project Borrower, the Sub-CDE and [Broadstreet Impact Services, LLC, a Delaware limited liability company.
13. Flow of Funds Memorandum, by and among the Allocatee, the Sub-CDE, the Project Borrower, the Investor Member, and certain other parties thereto.
14. Electronic Signatures Agreement, by and among the Allocatee, the Sub-CDE, and certain other parties thereto.
15. California Judicial Reference Agreement, by and among the Allocatee, the Sub-CDE, and certain other parties thereto.
16. Environmental Indemnity Agreement, by and among the Sub-CDE, the Project Borrower, and Siskiyou County Job Council, a California nonprofit public benefit corporation.
17. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Transactions (Siskiyou County Economic Development Council), executed by the Allocatee and the Sub-CDE.
18. Other related documents.



## **Agenda Report**

**DATE:** July 25, 2024

**TO:** CSCDC BOARD OF DIRECTORS

**FROM:** Cathy Barna, Executive Director

**PURPOSE:** Approve the Making of up to \$22,000,000 in Qualified Low Income Community Investments by CSCDC 25 LLC to Ceres Community Project (Center for Food, Youth and Community), City of Santa Rosa, County of Sonoma, California.

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### **SPONSOR BACKGROUND:**

Ceres Community Project (Ceres) is a nonprofit organization founded in 2007 to support individuals dealing with serious illness by providing free or low-cost medically tailored meals delivered to their homes. Medically tailored meals are meals that are tailored to an individual's medical diagnoses by a Registered Dietitian Nutritionist (RDN), and are designed to improve health outcomes, lower the cost of care, and increase patient satisfaction. Clients and their families receive meals for up to 24 weeks. In 2022, Ceres distributed approximately 200,000 meals to 1,670 individuals across Sonoma and Marin counties.

Ceres is the only medically tailored meal provider in the country with a Youth Development Program at the core of its work. This unique model engages youth ages 14-22 with opportunities to learn how to grow and cook healthy foods, as well as build their leadership and job readiness skills. Youth are also provided opportunities for advancement, including becoming a Teen Leader, paid intern, and full-time employee. In 2022, Ceres provided 325 youth with culinary education, job skills, and leadership training.

In addition to providing individuals with medically tailored meals, Ceres distributes medically tailored groceries and "produce prescriptions" to food insecure clients. Ceres also enhances social connection, building relationships between clients, youth, and community members through its intergenerational volunteer program, home deliveries, nutrition education, and wellness calls.

Ceres is a member of the Food is Medicine Coalition, an association of nonprofit medically tailored food and nutrition service providers across the country. This movement began more than 35 years ago in response to the lack of treatments available to AIDS patients. Ceres also develops and advocates for healthy food policies. In 2022, thanks in part to Ceres' policy leadership, medically tailored meals became an allowable covered benefit in California's MediCal program.

### **PROJECT OVERVIEW:**

Ceres has requested that CSCDC provide up to \$22,000,000 in New Markets Tax Credit (NMTC) for the construction of its new "Center for Food, Youth & Community" – a 20,196 sq. ft. culinary



and youth development facility on a 1.5-acre property. The new facility will consolidate Ceres' satellite locations (two of which are leased spaces) into one permanent, centrally located headquarters that will include:

- Commercial kitchen for medically tailored meal production and distribution.
- Client resource center for nutrition education programs for individuals living with serious and chronic illness.
- Dedicated volunteer space and offices, workspaces, and meeting rooms for Ceres staff.
- Indoor/outdoor multi-purpose room for youth development training and community-wide events.
- Outdoor garden for growing 100% organic produce.

From 2019 to 2022, Ceres increased the number of meals it delivered to clients by more than 200%. Demand for Ceres' services now greatly exceeds its current production capacity. Ceres requires a larger and more efficiently designed kitchen to meet the increased demand. The new campus will allow Ceres to more than double the number of medically tailored meals it delivers annually, and to engage 50% more youth.

## **COMMUNITY OUTCOMES:**

### **Job-Related Outcomes**

- The project is expected to result in 49 FTE construction jobs.
- The project is expected to create/retain 51 FTE permanent jobs (43 retained jobs and 8 new jobs).
- 50 of the permanent jobs (98%) are expected to be quality jobs. 44 of the permanent jobs are expected to provide wages exceeding local living wage. 50 of the permanent jobs are expected to provide comprehensive employee benefits, including medical insurance, 401k with employer match, and paid leave.
- 75% of the permanent jobs are expected to be accessible to individuals with lower levels of formal education.
- Ceres prioritizes promotion from within, supporting the professional development of many first-time managers through a robust onboarding and training program. Currently, nine Ceres staff members are youth development program alumni.
- In addition to permanent jobs, Ceres offers approximately 20 internships annually for high school students, former youth development and Teen Leader program alumni, and dietetic tech students who need professional opportunities to complete their registered dietician training. As part of this project, Ceres plans to expand these paid internship opportunities to low-income youth.

### **Community Goods & Services**

- The project will allow Ceres to more than double its medically tailored meal distribution. Ceres serves individuals with serious illnesses who lack the money, resources, or caregiver support to prepare meals for themselves and their family members.
  - 85% of clients live on less than \$25,000 a year.
  - 36% of clients identify as Hispanic or Latino.
  - 50% are living with chronic disease (cardiovascular disease, diabetes, hypertension, etc.).
  - 27% are living with cancer.

- The project will also expand Ceres’ youth development program. In 2022, Ceres served 325 youth. With the new facility, Ceres expects to provide 450 youth annually with opportunities to grow and cook healthy foods, and to build their leadership and job readiness skills.

**ADVISORY BOARD APPROVAL:**

On January 10, 2024, CSCDC’s Advisory Board unanimously recommended approval of the Project.

**FINANCE TEAM:**

- Tax Credit Investor: Capital One Bank
- Investor Counsel: Riemer Braunstein LLP
- CSCDC Counsel: Applegate & Thorne-Thomsen

**ESTIMATED SOURCES AND USES:**

<b>Sources</b>		
Sponsor Equity		\$7,463,111
LISC Bridge Loan		\$12,000,000
NMTC Subsidy		\$5,764,000
<b>Total Sources</b>		<b>\$25,227,111</b>
<b>Uses</b>		
Acquisition		\$1,053,500
Hard Costs		\$16,623,204
Soft Costs		\$2,416,287
Equipment & Furnishings		\$1,947,879
NMTC Costs		\$1,274,000
LISC Financing Costs		\$1,912,241
<b>Total Uses</b>	<b>\$</b>	<b>25,227,111</b>

**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 (Ceres Community)**

At a meeting duly called on July 25, 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 the Sub-CDE (defined below), does hereby adopt the following resolutions:

**WHEREAS**, the Allocatee and CSCDC 25 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, 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 dated November 1, 2022 (the “Initial Sub-CDE Operating Agreement”) to govern Sub-CDE; and

**WHEREAS**, pursuant to that certain Sub-Allocation Agreement dated [\_\_\_\_], 2024, Allocatee sub-allocated a portion of the Allocation in an amount equal to \$22,000,000 to Sub-CDE; and

**WHEREAS**, it is anticipated that on [\_\_\_\_], 2024, Withdrawing Member will withdraw as a member of Sub-CDE, Allocatee will admit COCRF Investor 294, LLC, a Delaware 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 made an equity investment in the Sub-CDE in the amount of \$22,000,000 (the “Initial CDE Investment”); and

**WHEREAS**, it is anticipated that 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 Ceres Support Corporation, a California nonprofit public benefit corporation (the “QALICB”) in the aggregate original principal amount of up to \$22,000,000 (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) 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 or in its capacity as the managing member of Sub-CDE, in connection with the above described transactions and QEIs that are necessary to evidence and govern such transactions, including, but not limited to the agreements set forth on Exhibit A attached hereto and made a part hereof (collectively, the “Transaction Documents”).

**NOW, THEREFORE, BE IT**

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

**RESOLVED**, that 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;

**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 July 25, 2024, at which a quorum of the Board of Directors was present or represented.

By: \_\_\_\_\_  
Title \_\_\_\_\_

## EXHIBIT A

### Transaction Documents

1. CDE Indemnification Agreement, by Allocatee and Sub-CDE for the benefit of Capital One, National Association, a national banking association
2. A&R Sub-CDE Operating Agreement
3. New Markets Fee and Expense Agreement, by and among QALICB, the Allocatee, Sub-CDE, and The Ceres Community Project, a California nonprofit public benefit corporation (“Sponsor”)
4. Fund Sponsor Fee Agreement, by and among Investor Member, Allocatee, and Sub-CDE
5. Sub-Allocation Agreement, by and between Allocatee and Sub-CDE
5. Credit Agreement, by and between Sub-CDE and QALICB
6. Community Benefits Agreement, by and among Sponsor, QALICB and Sub-CDE
7. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by Sub-CDE and Allocatee
8. Bank Account Pledge Agreement, by and among Sub-CDE and QALICB
9. Construction Monitoring and Disbursement Agreement], by and among QALICB, Sub-CDE and Capital One, National Association
10. Other related documents.