



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA
April 2, 2020 at 2:00 p.m.

Pursuant to Governor Newsom’s Executive Order, Commissioners of the California Statewide Community Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 267-930-4000, Passcode 977427837. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”) please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Kevin O’Rourke, Chair	_____ Brian Stiger, Member
_____ Tim Snellings, Vice Chair	_____ Marcia Raines, Member
_____ Brian Moura, Secretary	_____ Michael Cooper, Alt. Member
_____ Jordan Kaufman, Treasurer	_____ Niroop Srivatsa, Alt. Member
_____ Dan Mierzwa, Member	
2. Consideration of the Minutes of the April 19, 2020 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

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. Breezewood 2019 LP (Breezewood Apartments), City of Riverside, County of Riverside; issue up to \$20,000,000 in multi-family housing revenue bonds.
 - b. Huntington Pointe 2019 LP (Huntington Pointe Apartments), City of Huntington Beach, County of Orange; issue up to \$30,000,000 in multi-family housing revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2020 at ___: __ m, Signed _____ . Please email signed page to info@cscda.org

6. Statewide Community Infrastructure Program (SCIP) 2020A.
 - a. Conduct proceedings with respect to the Statewide Community Infrastructure Program (“SCIP”) for multiple Assessment Districts;
 - b. Consideration of the following resolutions with respect to SCIP:
 1. Resolution abandoning proceedings for (i) SCIP Assessment District No. 20-02 (Ferrari Pavilion), City of Lincoln, County of Placer; and (ii) SCIP Assessment District No. 20-06 (Parlin Oaks), City of Galt, County of Sacramento.
 2. Resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, confirming the amount of unpaid assessments and directing related actions.
 3. Resolution providing for the issuance of SCIP limited obligation improvement bonds each in one or more series and approving the form and substance of a trust agreement and authorizing related actions.
 4. Resolution authorizing the issuance, sale and delivery of not to exceed \$35,722,073.84 of SCIP Revenue Bonds, Series 2020A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure certificate, an official statement, and authorizing certain other actions in connection therewith.

7. Community Facilities District No. 2019-02 (Sand Creek).
 - a. Conduct second reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, April 16, 2020 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of Washington Court Renewal LP (Washington Court Apartments), City of Los Angeles, County of Los Angeles; issue up to \$40 million in multi-family housing revenue bonds.

April 2, 2020



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

March 19, 2020 at 2:00 p.m.

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

Commission Chair Kevin O'Rourke called the meeting to order at 2:01 pm.

1. Roll Call.

Commission members participating via teleconference: Kevin O'Rourke, Brian Moura, Dan Mierzwa, Brian Stiger, and Marcia Raines.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; James Hamill, Bridge Strategic Partners; Norman Coopinger, League of California Cities; Sedy Young, CSAC Finance Corporation, Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick, Herrington & Sutcliffe; Bob Williams, RBC Capital Markets; and Besorah Won, Orrick, Herrington & Sutcliffe

2. Consideration of the Minutes of March 5, 2020 Regular Meeting.

The Commission approved the March 5, 2020 Regular & Special Meetings minutes.

Motion to approve and adopt by D. Mierzwa. Second by B. Stiger. Unanimously approved by roll-call vote.

3. Consent Calendar

The Commission approved the Consent Calendar.

1. Consideration of membership renewal to the California Affordable Housing Development Association (CAHDA).
2. Inducement of R Cap Avenue 34, LLC, on behalf of an affiliate to be formed California Limited Partnership, (Avenue 34 Apartments), City of Los Angeles, County of Los Angeles; issue up to \$20 million in multi-family housing revenue bonds.

3. Inducement of CLG Wasco Bakersfield, LP (CLG Wasco Bakersfield Apartments), Cities of Wasco and Bakersfield, County of Kern; issue up to \$8 million in multi-family housing revenue bonds.
4. Inducement of CLG Alosta, LP (Alosta Gardens Apartments), City of Azusa, County of Los Angeles; issue up to \$30 million in multi-family housing revenue bonds.
5. Approve and ratify the addition of the Sweetwater Authority as a CSCDA program participant.

Motion to approve and adopt by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote.

4. Public Comment.

Bob Williams gave an update on the current market.

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. Breezewood 2019 LP (Breezewood Apartments), City of Riverside, County of Riverside; issue up to \$20,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of an 157-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. KDF has financed more than 20 prior affordable housing projects with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve and adopt by D. Mierzwa. Second by B. Stiger. Unanimously approved by roll-call vote.

- b. Valley Palms 2018 LP (Valley Palms Apartments), City of San Jose, County of Santa Clara; issue up to \$120,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 354-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. KDF has financed more than 25 prior affordable housing projects with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve and adopt by D. Mierzwa. Second by B. Moura. Unanimously approved by roll-call vote.

- c. Glen Haven 2018 LP (Glen Haven Apartments), City of Fremont, County of Alameda; issue up to \$20,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with

CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 81-unit rental affordable housing project. 70% of the units will remain rent restricted for low-income tenants. KDF has financed more than 25 prior affordable housing projects with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve and adopt by B. Moura. Second by D. Mierzwa. Unanimously approved by roll-call vote.

- d. Salinas Pointe 2019 LP (Salinas Pointe Apartments), City of Salinas, County of Monterey; issue up to \$35,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 220-unit rental affordable housing project. 75% of the units will remain rent restricted for low-income tenants. KDF has financed more than 25 prior affordable housing projects with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve and adopt by B. Stiger. Second by B. Moura. Unanimously approved by roll-call vote.

- e. Hallmark 2017 LP (Hallmark House Apartments), City of Redwood City, County of San Mateo; issue up to \$25,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 72-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. KDF has financed more than 25 prior affordable housing projects with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

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

- f. Huntington Pointe 2019 LP (Huntington Pointe Apartments), City of Huntington Beach, County of Orange; issue up to \$30,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 104-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. KDF has financed more than 25 prior affordable housing projects with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve and adopt by B. Moura. Second by B. Stiger. Unanimously approved by roll-call vote.

- g. ABS Sepulveda LP (Apple Tree Village Apartments), City of Los Angeles, County of Los Angeles; issue up to \$35,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 125-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income senior tenants. This is the first ABS financing with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve and adopt by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote.

6. Community Facilities District No. 2018-01 (Wagon Wheel).
Consider the following resolution with respect to Community Facilities District No. 2018-01 (Wagon Wheel):
 - i. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2018-01 (Wagon Wheel), Special Tax Bonds, Series 2020; 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.

Motion to approve and adopt by B. Stiger. Second M. Raines. Unanimously approved by roll-call vote

7. Community Facilities District No. 2019-02 (Sand Creek).
 - a. Consider the following resolution with respect to Community Facilities District No. 2019-02 (Sand Creek):
 - i. Resolution Rescinding Resolution Nos. 19SCIP78 and 19SCIP85 Relating to California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

Motion to approve and adopt by D. Mierzwa. Second by B. Stiger. Unanimously approved by roll-call vote.

- b. Conduct first reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

Motion to approve and adopt by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote.

8. Consideration of a resolution adopting the inclusion of fire hardening measures as part of Open PACE.

The Executive Director recommends adoption of the attached resolution incorporating fire hardening measures as part of the CaliforniaFirst program.

Motion to approve and adopt by M. Raines. Second by B. Moura. Unanimously approved by roll-call vote.

9. Consideration of a Joint Exercise of Powers Agreement between CSCDA and the City of Orange.

Executive Bando explained that The City of Orange has requested that CSCDA enter into a new joint exercise of powers agreement, creating the Orange City Public Facilities Financing Authority, to assist with the financing of a \$34,000,000 fire station. CSCDA's Executive Director recommends that the Commission approve the resolution.

Motion to approve and adopt by D. Mierzwa. Second by B. Moura. Unanimously approved by roll-call vote.

10. Executive Director Update.

Executive Director Bando thanked the Commission and staff during this difficult time. She informed the Commission that most events that CSCDA was going to attend have been canceled like the CSAC Finance Corporation Annual Meeting.

The CSCDA Annual Meeting in January of 2021 has been confirmed.

11. Staff Update.

Commission Chair O'Rourke asked counsel to please clarify the new Brown Act requirements. Counsel confirmed that posting the agenda on the CSCDA website would suffice as informing the public of regular meetings/calls.

Staff reported that it is business as usual. Staff has been working remotely and providing guidance to CSCDA borrowers. Most borrowers are taking advantage of the low interest rates. Staff will continue to keep the Commission informed on the evolving changes.

12. Adjourn.

The meeting was adjourned at 2:54 p.m.

Submitted by: Sindy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, April 2, 2020 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

RESOLUTION NO. 20H-__

**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 April 3, 2020.

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 April 3, 2020.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Washington Court Apartments	City of Los Angeles, County of Los Angeles	102	Acquisition and Rehabilitation	Washington Court Renewal LP	\$40,000,000



Agenda Item No. 5a

Agenda Report

DATE: April 2, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Breezewood Apartments

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

AMOUNT: Not to Exceed \$20,000,000

EXECUTIVE SUMMARY:

Breezewood Apartments (the “Project”) is the acquisition and rehabilitation of 157 units of rental affordable housing located in the City of Riverside. 100% of the units will remain rent restricted for low-income residents. The Project was previously approved by the Commission at its March 19, 2020 meeting. The Project is being brought back to the Commission today to adopt a revised resolution that authorizes both senior and subordinate bonds. No other changes to the Project are being made.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 157-unit affordable rental housing facility located at 3893 Kirkwood Avenue in the City of Riverside.
- 2.34 acre site.
- 39 two-story residential buildings, pool, community center, computer lab, playground and laundry rooms.
- Consists of 156 two and three-bedroom units and one manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California.

KDF's success is evident through its long-term city and financial relationships that support the team's commitment to quality and integrity. KDF's ground-up new construction expertise and renovation turnaround stories that comprise the company's portfolio exemplify a true focus on quality and building community. KDF has financed more than 20 prior affordable housing projects with CSCDA.

Public Agency Approval:

TEFRA Hearing: February 4, 2020 – City of Riverside – unanimous approval

CDLAC Approval: October 16, 2019

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 80% (125 units) restricted to 60% or less of area median income households.
 - 20% (31 units) restricted to 50% or less of area median income households.
 - One Manager unit.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 15,250,000
Tax-Exempt Seller Note:	\$ 4,750,000
GP Equity:	\$ 795,530
Tax Credit Equity:	\$ 2,818,411
Income:	\$ 832,559
Deferred Developer Fee:	<u>\$ 1,795,456</u>
Total Sources:	\$ 26,241,956

Uses of Funds:

Acquisition:	\$ 15,400,000
Construction Costs:	\$ 4,965,488
Architecture & Engineering:	\$ 114,100
Relocation:	\$ 192,000
Capitalized Interest:	\$ 1,197,938
Operating Reserve	\$ 334,227
Developer Fee:	\$ 3,010,000
Costs of Issuance:	\$ 150,000
Soft Costs:	<u>\$ 878,203</u>
Total Uses:	\$ 26,241,956

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser: Align Finance Partners, LLC

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: April 15, 2020

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.

RESOLUTION NO. 20H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS BREEZEWOOD APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Breezewood 2019 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Series O (the “Senior Bonds”) and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Tax-Exempt Subordinate Series O-S (the “Subordinate Bonds” and, together with the Senior Bonds, the “Bonds”) to assist in the financing or refinancing of the acquisition, rehabilitation and development of a 157-unit multifamily rental housing development located in the City of Riverside (the “City”), County of Riverside, California, and known as Breezewood Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation in the amount of \$20,000,000, from the California Debt Limit Allocation Committee (“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 of the Bonds in an amount that is not materially less than the amount authorized under this Resolution;

WHEREAS, the Authority is willing to issue its Bonds in an amount not to exceed \$20,000,000, provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the 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 very low income persons;

WHEREAS, the Senior Bonds will be purchased pursuant to the Purchase Agreement (defined herein);

WHEREAS, the Subordinate Bonds, when issued, will be privately placed with KDF Breezewood, L.P., a California limited partnership, or an affiliate thereof (the “Subordinate Bonds Purchaser”), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority’s private placement policy;

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

(1) Trust Indenture (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

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

(3) Indenture of Trust (the “Subordinate Indenture”) to be entered into between the Authority and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the “Subordinate Bonds Trustee”), relating to the Subordinate Bonds;

(4) Financing Agreement (the “Subordinate Financing Agreement”) to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds;

(5) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee; and

(6) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and Align Finance Partners LLC, as purchaser of the Bonds, or such other purchaser or purchasers as shall be chosen for the Bonds (the “Purchaser”).

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, the Indenture and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as (i) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Series O” and (ii) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Breezewood Apartments) Tax-Exempt Subordinate Series,” with such series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$20,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Subordinate Bonds may be issued concurrently with the issuance of the Senior Bonds or at any time within three years thereafter, in each case accompanied by a final opinion of bond counsel in standard form, or on such later date as may be approved by the Authority in consultation with the Authority’s bond counsel.

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

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Senior Bonds shall be as provided in the Indenture as finally executed.

Section 4. The 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 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 Subordinate Indenture 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 Subordinate Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond the date that is 45 years from the date of issuance of the Subordinate Bonds), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 6. The Subordinate Financing 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 Subordinate Financing 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 Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The Authority is hereby authorized to sell the Senior Bonds to the Purchaser pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 9. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 10. The Senior Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Senior Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Senior Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Senior Bonds to or at the direction of the Purchaser in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly

executed and authenticated, to the Subordinate Bonds Purchaser in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.

Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a termination of regulatory agreement, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture, the Subordinate Indenture, the Purchase Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, the Subordinate Indenture, and other documents approved herein.

Section 14. For the avoidance of doubt, the provisions herein relating to the timing of issuance of the Subordinate Bonds shall apply in each case to the subordinate bonds authorized to be issued in connection with the financing of the Hermosa Vista Apartments, Glen Haven Apartments, Hallmark House Apartments, Salinas Pointe Apartments and Valley Palms Apartments, as previously authorized pursuant to the Authority's Resolutions Nos. 20H-9, 20H-17, 20H-18, 20H-20 and 20H-21, respectively, each of which resolutions is hereby ratified.

This Resolution shall take effect upon its adoption.

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: Breezewood 2019 LP
2. Authority Meeting Date: April 2, 2020
3. Name of Obligations: Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Series O
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.41%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$213,200.
 - (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: \$18,286,800.
 - (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): \$11,613,034.
5. The good faith estimates provided above 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, X
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: 2/27/2020



Agenda Item No. 5b

Agenda Report

DATE: April 2, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Huntington Pointe Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Huntington Beach, County of Orange

AMOUNT: Not to Exceed \$30,000,000

EXECUTIVE SUMMARY:

Huntington Pointe Apartments (the “Project”) is the acquisition and rehabilitation of 104 units of rental affordable housing located in the City of Huntington Beach. 100% of the units will remain rent restricted for low-income residents. The Project was previously approved by the Commission at its March 19, 2020 meeting. The Project is being brought back to the Commission today to adopt a revised resolution that authorizes both senior and subordinate bonds. No other changes to the Project are being made.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 104-unit affordable rental housing facility located at 18992 Florida Street in the City of Huntington Beach.
- 2.9 acre site.
- 14 two-story residential buildings, pool, clubhouse, playground and laundry rooms.
- Consists of 103 studio, one and two-bedroom units and one manager unit.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the

team's commitment to quality and integrity. KDF's ground-up new construction expertise and renovation turnaround stories that comprise the company's portfolio exemplify a true focus on quality and building community. KDF has financed more than 25 prior affordable housing projects with CSCDA.

Public Agency Approval:

TEFRA Hearing: June 3, 2019 – City of Huntington Beach – unanimous approval

CDLAC Approval: October 16, 2019

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 80% (82 units) restricted to 60% or less of area median income households.
 - 20% (21 units) restricted to 50% or less of area median income households.
 - One Manager unit.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 22,500,000
Tax-Exempt Seller Note:	\$ 1,700,000
City Loan:	\$ 1,700,000
GP Equity:	\$ 567,200
Tax Credit Equity:	\$ 3,664,654
Income:	\$ 1,361,902
Deferred Developer Fee:	<u>\$ 1,777,878</u>
Total Sources:	\$ 33,271,634

Uses of Funds:

Acquisition:	\$ 23,300,000
Construction Costs:	\$ 3,448,420
Architecture & Engineering:	\$ 124,100
Relocation:	\$ 132,000
Capitalized Interest/Loan Fees:	\$ 1,668,478
Operating Reserve	\$ 356,904
Developer Fee:	\$ 3,699,000
Costs of Issuance:	\$ 150,000
Soft Costs:	<u>\$ 392,732</u>
Total Uses:	\$ 33,271,634

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser: R4 Capital, Inc.

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: April 15, 2020

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.

RESOLUTION NO. 20H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS HUNTINGTON POINTE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Huntington Pointe 2019 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-1 (the “Series N-1 Bonds”) and California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-2 (the “Series N-2 Bonds” and, together with the Series N-1 Bonds, the “Senior Bonds”), and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Tax-Exempt Subordinate Series N-S (the “Subordinate Bonds” and, together with the Senior Bonds, the “Bonds”) to assist in the financing or refinancing of the acquisition, rehabilitation and development of an 104-unit multifamily rental housing development located in the City of Huntington Beach (the “City”), County of Orange, California, and known as Huntington Pointe Apartments (the “Project”);

WHEREAS, the Authority received an allocation in the amount of \$24,200,000 (the “Allocation Amount”), on October 16, 2019, from the California Debt Limit Allocation Committee (“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 of the Bonds in an amount that is not materially less than the amount authorized under this Resolution;

WHEREAS, the Authority is willing to issue its Bonds in an amount not to exceed \$30,000,000, provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the 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 very low income persons;

WHEREAS, the Senior Bonds will be purchased pursuant to the Purchase Agreement (defined herein);

WHEREAS, the Subordinate Bonds, when issued, will be privately placed with KDF QV, L.P., a California limited partnership, or an affiliate thereof (the “Subordinate Bonds Purchaser”), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority’s private placement policy;

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

(1) Indenture of Trust (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

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

(3) Indenture of Trust (the “Subordinate Indenture”) to be entered into between the Authority and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the “Subordinate Bonds Trustee”), relating to the Subordinate Bonds;

(4) Financing Agreement (the “Subordinate Financing Agreement”) to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds;

(5) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee; and

(6) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, R4 California Tax-Exempt Bond Partners II LP, as purchaser of the Series N-1 Bonds (the “Series N-1 Purchaser”) and Pacific Western Bank, as purchaser of the Series N-2 Bonds (the “Series N-2 Purchaser” and, together with the Series N-1 Purchaser, the “Purchasers”).

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, the Indenture and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as (i) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-1,” (ii) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-2” and (iii) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) Tax-Exempt Subordinate Series,” with such series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$30,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Subordinate Bonds may be issued concurrently with the issuance of the Senior Bonds or at any time within three years thereafter, in each case accompanied by a final opinion of bond counsel in standard form, or on such later date as may be approved by the Authority in consultation with the Authority’s bond counsel.

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

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Senior Bonds shall be as provided in the Indenture as finally executed.

Section 4. The 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 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 Subordinate Indenture 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 Subordinate Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond the date that is 45 years from the date of issuance of the Subordinate Bonds), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 6. The Subordinate Financing 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 Subordinate Financing 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 Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The Authority is hereby authorized to sell the Senior Bonds to the Purchasers pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 9. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 10. The Senior Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Senior Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Senior Bonds, when duly executed and authenticated, to or at the direction of the Purchasers, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for

the delivery of the Senior Bonds to or at the direction of the Purchasers in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to the Subordinate Bonds Purchaser in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.

Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a termination of regulatory agreement, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture, the Subordinate Indenture, the Purchase Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, the Subordinate Indenture and other documents approved herein.

Section 14. For the avoidance of doubt, the provisions herein relating to the timing of issuance of the Subordinate Bonds shall apply in each case to the subordinate bonds authorized to be issued in connection with the financing of the Hermosa Vista Apartments, Glen Haven Apartments, Hallmark House Apartments, Salinas Pointe Apartments and Valley Palms Apartments, as previously authorized pursuant to the Authority's Resolutions Nos. 20H-9, 20H-17, 20H-18, 20H-20 and 20H-21, respectively, each of which resolutions is hereby ratified.

This Resolution shall take effect upon its adoption.

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: Huntington Pointe 2019 LP
2. Authority Meeting Date: April 2, 2020
3. Name of Obligations: Huntington Pointe Apartments

California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-1 and 2020 Series N-2

4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - (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): 3.25%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$525,050.
 - (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: \$23,474,950.
 - (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): \$43,688,916.
5. The good faith estimates provided above 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, X 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: March 13, 2020



Agenda Item No. 6

Agenda Report

DATE: April 2, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE:

1. Conduct proceedings with respect to SCIP 2020A (hearing to be held at 2:00 p.m. or shortly thereafter)
2. Consideration of resolutions with respect to SCIP 2020A

BACKGROUND AND SUMMARY:

On February 6, 2020 the Commission approved the resolutions of intention for certain SCIP assessment districts and set the public hearing for today for the formation of the assessment districts outlined below.

The Commission is being asked today to:

1. Conduct proceedings with respect to the Statewide Community Infrastructure Program (“SCIP”) for multiple Assessment Districts;
2. Consideration of the following resolutions with respect to SCIP:
 - a. Resolution abandoning proceedings for (i) SCIP Assessment District No. 20-02 (Ferrari Pavilion), City of Lincoln, County of Placer; and (ii) SCIP Assessment District No. 20-06 (Parlin Oaks), City of Galt, County of Sacramento.
 - b. Resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, confirming the amount of unpaid assessments and directing related actions.
 - c. Resolution providing for the issuance of SCIP limited obligation improvement bonds each in one or more series and approving the form and substance of a trust agreement and authorizing related actions.
 - d. Resolution authorizing the issuance, sale and delivery of not to exceed \$35,722,073.84 of SCIP Revenue Bonds, Series 2020A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure certificate, an official statement, and authorizing certain other actions in connection therewith.

FORMATION OF DISTRICTS:

The assessment districts are being formed for the purpose of financing certain improvements and/or development impact fees as further described in the related engineer’s reports for such projects. Depending on market conditions and development status of each of the projects, such assessment districts will be included in one or more pooled or standalone bond issuances for SCIP.

Abandonment of Proceedings:

A resolution of intention was adopted on February 6, 2020 for (i) SCIP Assessment District No. 20-02 (Ferrari Pavilion), City of Lincoln, County of Placer; and (ii) SCIP Assessment District No. 20-06 (Parlin Oaks), City of Galt, County of Sacramento, with a public hearing originally scheduled for today. Both project financings are not moving forward at this time.

THE FINANCING:

The Series 2020A pooled SCIP revenue bonds will be issued to acquire certain limited obligation bonds issued for certain assessment districts, as described in the table below. The total anticipated financing for SCIP 2020A is expected to not exceed \$35,722,073.84 for the following projects:

County	Local Agency	Project	Developer	Land Use	Land Use Type	Units
Placer	Roseville, City of	Campus Oaks Apartments (Phase II)	Campus Oaks Apartments 1 LP	Multi-Family	Residential	210
Sacramento	Elk Grove, City of	Fieldstone North (Villages 2, 3 & 7)	Lennar Homes of California, Inc.	Single-Family	Residential	123
Sacramento	Sacramento, County of	Ogden Ranch (Phase I)	Richmond American Homes	Single-Family	Residential	91
Sacramento	Sacramento, County of	Portofino on Bell	Portofino on Bell, LLC	Single-Family	Residential	26
Sacramento	Sacramento, County of	Barrett Ranch (Phase I)	Lennar Homes of California, Inc.	Single-Family	Residential	152
Sacramento	Sacramento, County of	Gibson Crossing	Taylor Builders, LLC	Single-Family	Residential	162
Sacramento	Sacramento, County of	Gum Ranch (Unit 2)	Elliott Homes, Inc.	Single-Family	Residential	138
Sacramento	Sacramento, County of	Murieta Gardens	Bhupinder Singh Sandu and Manpi	Retail	Commercial	n/a
San Diego	San Diego, County of	Sweetwater Place	KB Home Coastal Inc.	Single-Family	Residential	122
San Joaquin	Manteca, City of	Sundance, Unit 5	Beacon Land Company	Single-Family	Residential	129
San Joaquin	Tracy, City of	Santosha	DeNova Homes	Single-Family	Residential	71
San Mateo	Daly City, City of	Point Martin	Point Martin, LLC	Single-Family	Residential	122
Sonoma	Petaluma, City of	Northbank at Riverbank	TRI Pointe Homes, Inc.	Single-Family	Residential	134
Yolo	Davis, City of	Hyatt House Davis	Presidio Companies	Hotel	Commercial	n/a
Yuba	Yuba, County of	Orchard Phase Two-2 (Unit 2 & 3)	John Mourier Construction, Inc.	Single-Family	Residential	100
		Total	15 Projects			1,580

Inclusion of the foregoing assessment districts in the SCIP 2020A pool is dependent upon market and development conditions for each assessment district, and certain of such assessment districts may be removed from the pool with the advice of the underwriter and bond counsel.

ESTIMATED SOURCES & USES:

Sources:

Bond Proceeds	<u>\$ 29,250,000</u>
	\$ 29,250,000

Uses:

Project Fund	\$ 25,255,055
Capitalized Interest	\$ 449,250
Debt Service Reserve Fund	\$ 1,952,250
Cost of Issuance	\$ 1,544,695
Underwriter Discount	\$ 748,750
	<u>\$ 29,250,000</u>

Pursuant to Section 5852.1 of the California Government Code, the Authority has received certain representations and good faith estimates from RBC Capital Markets, as the underwriter of the California Statewide Communities Development Authority Statewide Community Infrastructure Program Revenue Bonds, Series 2020A and has disclosed such good faith estimates as follows:

1. TIC: 5.22%
2. Sum of all fees and charges paid to third parties: \$2,293,445
3. Net Proceeds: \$25,255,055
4. Total Net Debt Service +Annual Fees: \$58,890,750

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends that the Commission approve the following:

1. Conduct proceedings with respect to the Statewide Community Infrastructure Program (“SCIP”) for multiple Assessment Districts;
2. Consideration of the following resolutions with respect to SCIP:
 - a. Resolution abandoning proceedings for (i) SCIP Assessment District No. 20-02 (Ferrari Pavilion), City of Lincoln, County of Placer; and (ii) SCIP Assessment District No. 20-06 (Parlin Oaks), City of Galt, County of Sacramento.
 - b. Resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, confirming the amount of unpaid assessments and directing related actions.
 - c. Resolution providing for the issuance of SCIP limited obligation improvement bonds each in one or more series and approving the form and substance of a trust agreement and authorizing related actions.
 - d. Resolution authorizing the issuance, sale and delivery of not to exceed \$35,722,073.84 of SCIP Revenue Bonds, Series 2020A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure certificate, an official statement, and authorizing certain other actions in connection therewith.

Documents:

<https://www.dropbox.com/sh/34bykimi8keqt47/AACXjbgpErnP0KRqkhT3b8sPa?dl=0>



Agenda Item No. 7

Agenda Report

DATE: April 2, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Sand Creek – Community Facilities District

PURPOSE: Conduct second reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

EXECUTIVE SUMMARY:

On March 19, 2020 the Commission adopted a resolution rescinding the resolutions for the formation of Sand Creek Community Facilities District (CFD) 2019-02 in the City of Antioch. As part of the abandonment the Commission also conducted the first reading of the ordinance dissolving the CFD. Today’s requested action is the second and final reading of the ordinance dissolving the CFD.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends the following actions and approving the following resolution and actions.

1. Conduct second reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.” (Attachment A)

ATTACHMENT A

ORDINANCE NO. 20ORD-2

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**ORDINANCE RESCINDING ORDINANCE NO. 19ORD-2 AND DISSOLVING
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2019-02 (SAND CREEK), CITY OF
ANTIOCH, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA AND
IMPROVEMENT AREA NO. 1 THEREIN**

BE IT ENACTED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY:

SECTION 1. The Commission (“Commission”) of the California Statewide Communities Development Authority duly adopted Resolution No. 19SCIP-78 (the “Resolution of Intention”) on July 25, 2019, declaring its intent to establish California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California (the “Community Facilities District”) and designating Improvement Area No. 1 (“Improvement Area No. 1”) therein, in accordance with the Mello-Roos Community Facilities Act of 1982, set forth in sections 53311 through 53368.3 of the California Government Code (the “Act”), and particularly in accordance with sections 53313.5(l) and 53328.1(a).

SECTION 2. In the Resolution of Intention, the Commission approved the boundary map, as provided for and described in California Streets and Highways Code Section 3110, entitled “Proposed Boundaries of California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California” (the “Boundary Map”), which Boundary Map was recorded on August 15, 2019, in the Book of Maps of Assessment and Community Facilities Districts maintained by the County Recorder of the County of Contra Costa in Book 88 at Pages 3-4, inclusive, and as Instrument No. 2019-0130169-00; and

SECTION 3. On September 5, 2019, the Commission duly adopted Resolution No. 19SCIP-85 (the “Resolution of Formation”) establishing the Community Facilities District and designating Improvement Area No. 1 therein in accordance with the Act and particularly in accordance with sections 53313.5(l) and 53328.1(a).

SECTION 4. On September 19, 2019, the Commission duly adopted Ordinance No. 19ORD-2 (the “Special Tax Ordinance”) levying a special tax on each taxable parcel within Improvement Area No. 1 of the Community Facilities District as shown on the Boundary Map for the 2019-20 fiscal year and for each subsequent fiscal year, in each case in the amount of the special tax specified for the fiscal year in the Rate and Method of Apportionment as set forth in Exhibit E of the Resolution of Intention, as incorporated into the Resolution of Formation.

SECTION 5. The Commission has determined that (i) it will not annex any parcels into the Community Facilities District in the future and that (ii) it will not levy a special tax within the Community Facilities District in the future.

SECTION 6. The Commission has determined that there is no outstanding debt payable or secured by the special taxes to be levied within the Community Facilities District, including within Improvement Area No. 1.

SECTION 7. The Commission has determined (i) to terminate its authority to annex property into the Community Facilities District and (ii) to terminate its authority to levy a special tax within the Community Facilities District, including within Improvement Area No. 1.

SECTION 8. The Commission has determined to rescind the Resolution of Intention, the Resolution of Formation and the Special Tax Ordinance.

SECTION 9. The Commission has determined that upon rescission of the Resolution of Intention, the Resolution of Formation and the Special Tax Ordinance, the Commission will have no authority to levy any special tax in the Community Facilities District, including within Improvement Area No. 1.

SECTION 10. The Commission has duly adopted Resolution No. 20SCIP-32, rescinding the Resolution of Intention and the Resolution of Formation.

SECTION 11. The Special Tax Ordinance is hereby rescinded.

SECTION 12. The Community Facilities District, including Improvement Area No. 1, is hereby dissolved pursuant to Section 53338.5 of the Act.

SECTION 13. Pursuant to Section 53338.5 of the Act, the Secretary of the Commission is authorized and directed to record a Notice of Cancellation of Special Tax Lien as an addendum to the Notice of Special Tax Lien recorded in the Office of the County Recorder of the County of Contra Costa on September 11, 2019, as Instrument No. 2019-0149683-00.

SECTION 14. This Ordinance shall take effect and be in force thirty (30) days after its final passage; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the area of the Community Facilities District.

* * *

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on March 19, 2020, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 2, 2020.

AYES:

NOES:

ABSENT:

By: _____
Authorized Signatory
California Statewide Communities
Development Authority