



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



**AGENDA OF THE  
REGULAR MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**April 9, 2015**

**10:00 a.m.**

**League of California Cities  
1400 K Street, 3<sup>rd</sup> Floor  
Sacramento, California**

County of Butte  
7 County Center Drive  
Oroville, CA 95965

County of Monterey  
168 West Alisal Street  
Salinas, CA 93901

709 Portwalk Place,  
Redwood City, CA 94061

3252 Southern Hills Drive  
Fairfield, CA 94534

27788 Hidden Trail Road  
Laguna Hills, CA 92653

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the March 26<sup>th</sup> Annual Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
  - a. Stoneman Village L.P. (Stoneman Village), City of Pittsburg, County of Contra Costa; up to \$14,000,000 in multifamily housing revenue bonds. (Scott Carper)

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2015 at \_\_\_: \_\_\_ \_\_m,  
Signed \_\_\_\_\_. Please fax signed page to (925) 933-8457.

- b. IH Seabreeze Vallejo LLC (Seabreeze Apartments), City of Vallejo, County of Solano; up to \$27,000,000 in multifamily housing revenue bonds. (Caitlin Lanctot)
  - c. Tuolumne Road Partners LP, (Tuolumne Apartments), City of Tuolumne, County of Tuolumne; up to \$6,500,000 in multifamily housing revenue bonds. (Scott Carper)
  - d. Independence Support, LLC, City of Livermore, County of Alameda; up to \$28,000,000 in revenue bonds. (Scott Carper)
- VI. Consideration of the Program Administration Agreement between CSCDA and Counterpoint Energy Solutions LLC.
- VII. Discussion of Assignment Structure and PPA Structure for the CaliforniaFIRST Commercial PACE program.
- VIII. Consideration of a Resolution approving the CaliforniaFIRST Commercial PACE Assignment Documents and Related Items:
- a. Consideration of CaliforniaFIRST Commercial PACE Assignment Documents.
  - b. Consideration of approving Hannon Armstrong as a CaliforniaFIRST Commercial PACE Investor.
  - c. Consideration of revised fee structure for CaliforniaFIRST Commercial PACE.
- IX. Discussion of CaliforniaFIRST Residential PACE CAEATFA Loss Reserve Program.
- X. First quarter CaliforniaFIRST Residential PACE update.
- XI. Public Comment.
- XII. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
CONSENT CALENDAR**

1. Consent Calendar:
  - a. Approval of the City of El Cerrito as a Program Participant.
  - b. Approval of Authorized Signatory Resolution removing Jean Hurst and adding signatories Dorothy Holzem and Graham Knaus.

Thursday, April 9, 2015

**Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.**

**Item II.**

**Consideration of the Minutes of the March 26<sup>th</sup> Annual Meeting.**

**REGULAR MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
(CSCDA)**

League of California Cities  
1400 K Street, Sacramento, California

March 26, 2015

**MINUTES**

Commission chair Larry Combs called the meeting to order at 10:08 am.

**I. Roll Call.**

Commission members present: Larry Combs, Dan Mierzwa, Tim Snellings, Irwin Bornstein and Dan Harrison. Alternate Commissioner Ron Holly, representing Terry Schutten, was also present. Alternate Commissioner Brian Moura listened by conference telephone, but was unable to participate due to lack of notice.

CSCDA Executive Director, Catherine Bando was present.

Others present included: Perry Stottlemeyer, Norman Coppinger and Dan Carrigg, League of California Cities; Scott Carper, GPM Municipal Advisors; Matt Cate and Dorothy Holzem, CSAC; Mark Paxson, State Treasurer's Office; James Hamill and Jon Penkower, Bridge Strategic Partners; Griselda Blackburn, Montague DeRose; Ryan Donovan, Deutsche Bank/Alliance NRG; Roger Davis, Orrick Herrington Sutcliffe; Gene Slater, CSG Advisors; Michael Libera, Matt Challis and Mark Widener, Jeffries; Darren Hodge and Shai Markowitz, Citi; Mimi Frusha and Cliff Staton, Renewable Funding; Chris Lynch, Jones Hall; and Bob Williams, RBC Capital Markets. Amy Stoneham and Mercedes Baumbach, GPM Municipal Advisors; and Tricia Ortiz, Richards Watson & Gershon, participated by conference telephone.

Immediately after roll call, Commission chair Larry Combs asked everyone present to introduce themselves.

Combs then asked Greg Stepanicich, CSCDA General Counsel, to provide an update as to the status of the Special meeting held earlier this morning. Stepanicich stated that there is nothing to report at this time.

**II. Approval of minutes—March 12, 2015.**

The commission approved the minutes for the regular meeting held March 12, 2015.

Motion to approve by Mierzwa; second by Holly; unanimously approved by roll-call vote.

**III. Staff Updates.**

None.

#### **IV. Election of officers.**

1. Chairman: Larry Combs nominated by Harrison; second by Snellings; unanimously approved by roll-call vote.
2. Vice chairman: Kevin O'Rourke nominated by Harrison; second by Snellings; unanimously approved by roll-call vote.
3. Treasurer: Terry Schutten nominated by Mierzwa; second by Snellings; unanimously approved by roll-call vote.
4. Secretary: Dan Harrison nominated by Snellings; second by Bornstein; unanimously approved by roll-call vote.

#### **V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:**

- a. Northgate Terrace Community Partners LP (Northgate Terrace Apartments), City of Oakland, County of Alameda; issue up to \$29.5 million in multifamily revenue bonds.

The borrower is seeking to finance the renovation of the Northgate Terrace Apartments in a 30-year, approximately 4.5% bond issuance, privately placed with Citibank. The project consists of 201 units and is located on approximately 1.4 acres in a mixed use area of Oakland, providing services to low-income senior residents.

Executive Director Bando has reviewed the transaction, and based on the project's public benefit, as well as compliance with CSCDA's issuance policies, recommends that the Commission approve the project as submitted.

Motion to approve the project, as recommended by Executive Director Bando, by Harrison; second by Holly; unanimously approved by roll-call vote.

- b. UHC 00670 Escondido, LP (The Crossings at Escondido Manor), City of Escondido, County of Dan Diego; up to \$7.2 million in multifamily housing revenue bonds.

UHC 00670 Escondido, LP is seeking to finance the acquisition and rehabilitation of the property, which consists of four buildings with 44 units for low income families. Construction is expected to begin in April, 2015. The approximately 4.49% fixed rate bonds will be placed with Citibank.

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, approval of the bond issuance by City of Escondido, and conformance with CSCDA issuance policies, Executive Director Bando recommends approval of the project.

Motion to approve the project, as recommended by Executive Director Bando, by Holly; second by Mierzwa; unanimously approved by roll-call vote.

**VI. Approval of a resolution supplementing the Authority's prior approval of the issuance of a tax-exempt obligation and authorizing the issuance of a portion of the taxable bonds for Mills College.**

Scott Carper explained that this project, the refinancing of 2005 A bonds, was recently approved by commissioners, but the borrower subsequently decided to pay off the 2005 B bonds, which cannot be refinanced with tax-exempt debt. Therefore, a portion of the issuance will be taxable.

Motion to approve by Mierzwa; second by Harrison; unanimously approved by roll-call vote.

**VII. Telecommunications Asset Monetization program by the Jeffries team.**

Mark Widener of Jeffries explained the asset monetization program to Commissioners.

**VIII. Approval of an award to Jeffries for the development of a Telecommunications Asset Monetization program.**

Scott Carper explained that in October of 2014, CSCDA Commissioners authorized issuance of request for proposals (RFPs) to potential program administrators of this new CSCDA program. RFPs were distributed to seven investment banking firms shortly thereafter. Jeffries, a firm with extensive experience in this type of program, was the only firm to respond to the RFP with a proposal.

Executive Director Bando recommends that Commissioners award development of the new program to Jeffries.

Motion to approve by Snellings; second by Harrison; unanimously approved by roll-call vote.

**IX. Consideration of the engagement of Citi for the Tobacco bonds refunding.**

Cathy Bando provided a recap of the securitization of Tobacco settlement receipts and the monetization of the settlement. Now, Citi is presenting an attractive opportunity to refinance the 2002 and 2006 bonds.

Darren Hodge and Shai Markowitz of Citi provided an overview of the refunding opportunity.

**X. Open PACE update.**

- a. Mimi Frusha, Renewable Funding, provided an overview and update of the CaliforniaFIRST program.
- b. Ryan Donovan, Deutsche Bank, and Griselda Blackburn, Montague DeRose, provided an overview of the Open PACE program (residential, commercial and seismic). Donovan asked the Commissioners to consider supporting AB-428, which provides for a 30% tax credit for seismic retrofits.

**XI. SCIP program update.**

Bob Williams of RBC Capital Markets provided an overview and update relating to the SCIP program.

## **XII. Presentation on Home Ownership Protection Program.**

Gene Slater of CSG Advisors presented information about a Home Ownership Protection Program.

Many California homeowners have negative equity in their homes, with a good number of them that are delinquent with regard to their mortgages. The historic result for this group of people is that they lose their homes in foreclosure, which in turn leads to other undesired problems, including FHA taking a hit on the amount they're able to recover. This problem could have been avoided if the lender would have written down the outstanding mortgage to 95% of value, giving the borrowers an opportunity to stay in their homes. By doing so, FHA would lose less money than if lenders were to foreclose. However, lenders are reluctant to write down these loans, fearing this may encourage other borrowers to default. The State of California has \$1 billion from the federal government available in the "Hardest Hit" program, which is designed to encourage principal modifications to troubled loans, up to \$100 thousand per borrower. California must spend this money by 2017. This pool of funds could be used to help these distressed borrowers.

This Home Ownership Protection Program uses these federal funds to help solve this problem by purchasing blocks of mortgages that are being auctioned off by FHA. For these blocks of loans that are purchased, the distressed borrowers are offered assistance by writing down the principal to 95%. If the borrowers do not qualify for the program, the next objective is to make the homes available to other owner occupants.

## **XIII. CSCDA 2014-15 YTD overview of projects completed and projections for the remainder of 2015.**

Scott Carper presented statistics compiled relating to CSCDA's performance in 2014, as well as projections for 2015. More volume was processed in 2014 than 2013 (in dollars), mostly due to a larger number of hospital projects, which tend to be a larger loan amount.

Tim Snellings raised the question regarding how CSCDA uses these statistics relating to performance. He pointed out that the good work done by CSCDA needs to be marketed so that cities, counties and the legislature know what is being done.

## **XIV. New Markets Tax Credit program update.**

Scott Carper explained that CSCDA will be closing its fourth and final transaction for the round 11 award next week. Round 12 awards have not yet been announced.

## **XV. Legislative update.**

Gene Erbin, legislative representative under contract with CSCDA, discussed a few legislative bills and other issues that are of interest to CSCDA, including: SB-710; a \$300 million tax credit for housing (likely to be augmented to budget rather than legislation); AB-852 (prevailing wages); \$200 million New Markets Tax Credit; and greenhouse gas auction revenues.

Dan Carrigg, Legislative Director for the League of California Cities, discussed a few other items of interest, such as: SB-628 (tax increment); bringing back the redevelopment tool; tax credits on the Garcia bill; and there are a couple of other tax credit bills, such as AB-771 (Atkins) historic tax credits, Seismic tax credit, and AB-35 (affordable housing).

**XVI. Approval of termination and transition of services agreement between CSCDA and HB Capital Resources.**

Item pulled from agenda.

**XVII. Public comment.**

None.

**VIII. Adjournment.**

Commission chair Larry Combs adjourned the meeting at 12:02 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for  
Thursday, April 9, at 10:00 a.m.  
in the League of California Cities' office at 1400 K Street, Sacramento, California.*

**Item IV.**

**Consideration of Consent Calendar**

- a. Approval of the City of El Cerrito as a Program Participant.**
- b. Approval of Authorized Signatory Resolution removing Jean Hurst and adding signatories Dorothy Holzem and Graham Knaus.**

**Item V.**

**Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:**

- a. **Stoneman Village L.P. (Stoneman Village), City of Pittsburg, County of Contra Costa; up to \$14,000,000 in multifamily housing revenue bonds.  
(Scott Carper)**

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	APRIL 9, 2015
<b>APPLICANT:</b>	STONEMAN VILLAGE L.P.
<b>AMOUNT:</b>	UP TO \$14,000,000 OF MULTI-FAMILY HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION AND REHABILITATION OF STONEMAN VILLAGE APARTMENTS LOCATED AT 390 EAST LELAND IN PITTSBURG, CA
<b>CSCDA PROGRAM:</b>	HOUSING

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### **Background:**

The proposed project, Stoneman Village Apartments (the “Project”), is a 145-unit property located in Pittsburg, California. The Project application was filed on June 20, 2013 and induced on July 18, 2013.

### **Summary:**

Stoneman Village L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$14,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 145 one-bedroom units to low-income seniors in Pittsburg.

The Project was constructed in 1981 under the HUD Section 202 program. All 145 units are subsidized under a HUD Section 8 HAP contract. The Project includes one 4-story building, a courtyard, landscaping, parking, and a community space on a 2.82 acre site. The community space includes a small grocery store, management office, reception area, laundry facility, hair salon, maintenance office and

The goal of the rehabilitation is to greatly improve accessibility, energy savings, and functionality. Specific upgrades will target improving health and life safety systems. Repairs include sewer replacement work, upgrades to the HVAC system, upgrades to the fire life safety system, and general upgrades to the common areas including new flooring and paint.

The construction and rehabilitation is expected to begin in May 2015 and take approximately 10 months to complete.

### **Public Benefit:**

- Project Affordability
  - 100% of the Project’s units will be income restricted:
    - 56 units reserved for tenants whose income is at or below 50% AMI
    - 88 units reserved for tenants whose income is at or below 60% AMI
  - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
  - The Project is located within a Public Transit Corridor

- The Project is located within ½ mile of a park or recreational facility
  - The Project is located within ½ mile of a full scale grocery store
  - The Project is located within ½ mile of a medical clinic
  - The Project is located within ½ mile of a public library
  - The Project will provide health and wellness service to residents
- Economic Benefits
    - Based upon \$19,878,862 Project costs using a 1.8 multiplier the Project produces approximately \$35,782,952 total economic activity, and at 2.1 jobs per unit produces approximately 305 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

**Agency Approvals:**

**TEFRA Hearing:** May 19, 2014, City of Pittsburg, unanimous approval

**CDLAC Approval:** March 18, 2015

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$11,050,000	55.6%
Seller Take back Note	\$5,154,728	26%
LIHTC Equity	\$1,401,250	7%
Deferred Costs	\$2,272,784	11%
GP Capital	<u>\$100</u>	<u>.4%</u>
Total Sources	\$19,878,862	100.00%

Uses:

Acquisition Cost	\$9,539,834	48%
Hard Construction Costs	\$5,219,434	26%
Architect & Engineering Fees	\$379,208	1.35%
Contractor Overhead & Profit	\$358,477	1.25%
Developer Fee	\$17,25,000	6.20%
Relocation	\$77,500	0.28%
Cost of Issuance	\$234,000	0.95%
Capitalized Interest	\$261,000	1.00%
Other Soft Costs (Marketing, Etc.)	<u>\$2,084,409</u>	<u>10.91%</u>
Total Uses	\$19,878,862	100.00%

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: Red Mortgage Capital, LLC, San Diego

**Financing Structure:**

The construction Bonds will have a 24-month maturity and will be publically sold by Red Mortgage Capital. The bonds are expected to be rated A-1+ by Standard & Poor's. Following the rehabilitation, the bonds will be redeemed and the Project will be financed by a long-term conventional FHA loan. Interest will be fixed at 185 basis points in excess of the 30 day LIBOR rate, estimated to be approximately 1.5%.

**Policy Compliance:**

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

**Executive Director Approval:**

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Pittsburg, and conformance to the CSCDA Issuance Policies, the Executive Director recommends that Commission approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

**Attachments:**

1. Original application
2. CDLAC Resolution

## Applicant Information

Primary Contact E-mail: [scarper@cacommunities.org](mailto:scarper@cacommunities.org)

Name of Developer: **Stoneman Village LP**

TIN or EIN:

### Primary Contact

First Name: **Karen**

Last Name: **Bodiford**

Title: **Administrator**

#### Address:

Street: **390 E. Leland**

Suite:

City: **Pittsburg**

State: **California**

Zip: **94565**

Phone: **925-427-1870**

Ext:

Fax: **925-427-1870**

Email: **kbstoneman@sbcglobal.net**

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **Stoneman Village LP**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: January 1, 2013

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **1**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **1**

### Secondary Contact

First Name:

Last Name:

Title:

#### Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **Stoneman Village LP**

First Name: **Karen**

Last Name: **Bodiford**

Title: **Administrator**

#### Address

Street: **390 E. Leland**

Suite:

City: **Pittsburg**

State: **California**

Zip: **94565**

Phone: **925-427-1870**

Ext:

Fax: **925-427-1870**

Email: **kbstoneman@sbcglobal.net**

## Project Information

### Project Information

Project Name: **Stoneman Village**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **Stoneman Village**

**Facility Bond Amount: \$15,000,000.00**

#### Project Address:

Street or general location: **390 E. Leland**

City: **Pittsburg**

State: **California**

Zip: **94565**

County: **Contra Costa County**

Is Project located in an unincorporated part of the County?  Y  N

#### Total Number of Units:

Market:

Restricted: **145**

Total: **145**

Lot size: **116,610**

Amenities:

Property includes a community dining room

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Steel and wood frame

#### Type of Housing:

New Construction

Acquisition/Rehab

#### Facility Use:

Family

Senior

Is this an Assisted Living Facility?

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency:

First Name: **Garrett**

Last Name: **Evans**

Title: **Assistant City Manager**

Phone: **925-252-4034**

Ext:

Fax:

Email: **geevans@ci.pittsburg.ca.us**

#### Public Benefit Info:

Percentage of Units in Low Income Housing: **100**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **60**

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	60	145	1,004.00	1,730.00	726.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

### Government Information

#### Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:



## Financing Information

### Financing Information

Maturity 30 Years

#### Interest Rate Mode:

Fixed  Variable

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

(Refunding only) Will you be applying for State Volume Cap?  Yes  No

Is this a transfer of property to a new owner?  Yes  No

#### Construction Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Permanent Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

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#### Projected State Allocation Pool:

General  Mixed Income  Rural

Will the project use Tax-Credit as a source of funding?  Y  N

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$15,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
<hr/>	<u>\$</u>
Total Sources:	<u>\$15,000,000.00</u>

#### Uses:

Land Acquisition:	<u>\$15,000,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$</u>
Cost of Issuance:	<u>\$</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$</u>
Other Uses (Describe):	
<hr/>	<u>\$</u>
Total Uses:	<u>\$15,000,000.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick

#### Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

#### Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax:

Email: [jcooper@orrick.com](mailto:jcooper@orrick.com)

### Bank/Underwriter/Bond Purchaser

Firm Name: Red Mortgage Capital

#### Primary Contact

First Name: Kevin

Last Name: **Korn**

Title: **Advisor**

#### Address:

Street: **Two Miranova place**

Suite:

City: **Columbus**

State: **Ohio**

Zip: **43215**

Phone: **614- 857-1484**

Ext:

Fax:

Email: [kmkorn@redcapitalgroup.com](mailto:kmkorn@redcapitalgroup.com)

### Financial Advisor

Firm Name: Devine

#### Primary Contact

First Name: **Candy**

Last Name: **Rupp**

Title: **Advisor**

#### Address:

Street: **101 Montgomery Ave**

Suite: **1350**

City: **San Francisco**

State: **California**

Zip: **94012**

Phone: **415-788-7983**

Ext: **202**

Fax:

Email: [candyr@devinegong.com](mailto:candyr@devinegong.com)

### Rebate Analyst

Firm Name:

#### Primary Contact

First Name:

Last Name:

Title:

#### Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

**RESOLUTION NO. 15-12**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 15-009
3. Project Sponsor: Stoneman Village, LP (Leland Road, LLC)
4. Project Management Co.: Pittsburg Senior & Handicapped Residential Community, Inc.
5. Project Name: Stoneman Village Apartments
6. Type of Project: Acquisition and Rehabilitation/Senior Citizens
7. Location: Pittsburg, CA
8. Credit Enhancement Provider: Red Capital Markets / FHA Section 223(f)
9. The Credit Enhancement Provider at the time of issuance will be the same as represented in the application.
10. Total Number of Units: **145** plus **0** manager units
11. Total Number of Restricted Rental Units: **143**
12. The term of the income and rental restrictions for the Project will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.  
**Applicable**
14. Income and Rental Restrictions:  
For the entire term of the income and rental restrictions, the Project will have:  
  
At least **56** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.  
  
At least **87** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.  
**Applicable**
16. A minimum of \$0,000 of public funds will be expended for the Project.  
**Not Applicable**



**RESOLUTION NO. 15-12**

**Exhibit A**

27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:

**Applicable**

Section Waived:

<input type="checkbox"/>	Energy Efficiency
<input type="checkbox"/>	CALGreen Compliance
<input type="checkbox"/>	Landscaping
<input type="checkbox"/>	Roofs
<input type="checkbox"/>	Exterior Doors
<input type="checkbox"/>	Appliances
<input type="checkbox"/>	Window Coverings
<input type="checkbox"/>	Water Heater
<input type="checkbox"/>	Floor Coverings
<input type="checkbox"/>	Paint
<input type="checkbox"/>	Insulation

28. The project commits to becoming certified under any one of the following programs upon completion:
- a. Leadership in Energy & Environmental Design (LEED) **Not Applicable**
  - b. Green Communities **Not Applicable**
  - c. GreenPoint Rated Multifamily Guidelines **Not Applicable**
29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:
- a. 17.5% **Not Applicable**
  - b. 20% **Not Applicable**
  - c. 25% **Not Applicable**
30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:
- a. LEED for Homes (Silver) **Not Applicable**
  - b. LEED for Homes (Gold) **Not Applicable**
  - c. Green Point Rated (100) **Not Applicable**
  - d. Green Point Rated (125) **Not Applicable**
31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:
- a. 15% **Not Applicable**
  - b. 20% **Not Applicable**
  - c. 25% **Not Applicable**
  - d. 30% **Not Applicable**
32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- a. Photovoltaic generation that offsets tenants loads **Not Applicable**
  - b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
  - c. Solar hot water for all tenants who have individual water meters **Not Applicable**

**RESOLUTION NO. 15-12**

**Exhibit A**

Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required):

**Not Applicable**

34. The project will sub-meter centralized hot water systems for all tenants:

**Not Applicable**

**RESOLUTION NO. 015H-\_\_**

**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 \$14,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS STONEMAN VILLAGE; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS**

**WHEREAS**, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition, construction 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**, Stoneman Village, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 145-unit senior multifamily rental housing development for seniors located in the City of Pittsburg (the “City”), County of Contra Costa, California, and known as Stoneman Village (the “Project”);

**WHEREAS**, the Authority received an allocation in the amount of \$11,050,000 (the “Allocation Amount”), on March 18, 2015, 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;

**WHEREAS**, the Authority is willing to issue not to exceed \$14,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Stoneman Village) 2015 Series I (the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, as finally approved, and 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 income persons;

**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 Wells Fargo Bank, National Association, as trustee (the “Trustee”);
- (2) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;
- (3) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and Red Mortgage Capital, LLC, as underwriter of the Bonds (collectively, the “Underwriter”);
- (4) Official Statement (the “Official Statement”), to be used in connection with the offer and sale of the Bonds; and
- (5) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee.

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

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Stoneman Village) 2015 Series I” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$14,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or 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. 14R-58 of the Authority, adopted on November 6, 2014) (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, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in 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 Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 7. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

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

Section 9. 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, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the 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 10. 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, and other documents approved herein. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the Allocation Amount has been established by CDLAC in connection with the Project.

Section 11. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this 9<sup>th</sup> day of April 2015.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 9, 2015.

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

- b. IH Seabreeze Vallejo LLC (Seabreeze Apartments), City of Vallejo, County of Solano; up to \$27,000,000 in multifamily housing revenue bonds.  
(Caitlin Lanctot)**

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	APRIL 9, 2015
<b>APPLICANT:</b>	IH SEABREEZE VALLEJO, LLC/INTEGRITY HOUSING
<b>AMOUNT:</b>	UP TO \$27,000,000 OF MULTI-FAMILY HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION OF THE SEABREEZE APARTMENTS LOCATED AT 100 LARISSA LANE IN VALLEJO, CA
<b>CSCDA PROGRAM:</b>	501(C)(3) HOUSING

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### **Background:**

The proposed project, Seabreeze Apartments (the “Project”), is a 184-unit property located in Vallejo, California. The Project application was filed on January 13, 2015 and induced on January 29, 2015.

### **Summary:**

IH Seabreeze Vallejo, LLC (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$27,000,000 (the “Bonds”) for the purpose of financing the acquisition of the Project. The Project will continue to provide 64 one-bedroom units and 120 two-bedroom units to families in Vallejo.

The Project was initially constructed in 1986 and consists of 15 two-story garden style buildings. The Property amenities include a leasing office, laundry facilities and a pool. Each unit in the property contains ample closet space, heating, approved window coverings, a mix of vinyl/linoleum flooring and carpet throughout the unit. The kitchens are furnished with a double-sink, garbage disposal, ample, well designed, sturdy and functional cabinets, stove / range with approved hood and refrigerator. All appliance replacements will be energy-efficient, with the energy star rating. An abundance of light and fresh air ventilation is provided by generous window space and all units have private balconies.

Resident Services will be provided as suited for the tenant profile and provided either on-site or near to the property. The Property’s facilities and amenities as a whole will serve the needs of all residents in a family setting

The Borrower has previously constructed or rehabilitated nine multifamily and senior housing properties; this is their second with CSCDA.

### **Public Benefit:**

- Project Affordability
  - 100% of the Project’s units will be income restricted:
    - 36 units reserved for tenants whose income is at or below 50% AMI
    - 84 units reserved for tenants whose income is at or below 80% AMI
    - 64 units reserved for tenants whose income is at or below 115% AMI

- 1 manager unit
  - The term of the income and rental restrictions for the Project will be at least 15 years
- Economic Benefits
  - Based upon \$24,025,000 Project costs using a 1.8 multiplier the Project produces approximately \$43,245,000 total economic activity, and at 2.1 jobs per unit produces approximately 386 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

**Agency Approvals:**

**TEFRA Hearing:** February 24, 2015, City of Vallejo, approved  
**No CDLAC allocation is required for this financing**

**Estimated Sources and Uses:**

**Sources:**

Senior Tax Exempt Bond Proceeds	\$16,125,000	67.12%
Subordinate Tax Exempt Bond Proceeds	\$7,700,000	32.05%
Borrower Equity	<u>\$200,000</u>	<u>0.83%</u>
Total Sources	\$24,025,000	100.00%

**Uses:**

Acquisition Cost	\$21,500,000	89.49%
Cost of Issuance	\$475,000	1.98%
Credit Bank Funds	\$236,250	0.98%
Interest Rate Cap	\$45,000	0.19%
Transaction Costs	\$16,250	0.07%
Developer Fee	\$155,000	0.65%
Capital Improvement Budget	\$1,000,000	4.16%
Initial Operating Expenses	<u>\$597,500</u>	<u>2.49%</u>
Total Uses	\$24,025,000	100.00%

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: Hutchinson, Shockey & Erley, Inc. and Stern Brothers
- Lender: East West Bank, Pasadena

**Financing Structure:**

CSCDA will issue \$16,125,000 in Senior 501c3 Tax Exempt Bonds and \$7,700,000 in Subordinate Tax Exempt Bonds. The Senior Bonds will be sold to Hutchinson, Shockey & Erley, Inc. and Stern Brothers and backed by a letter of credit from the senior lender East West Bank. The Subordinate Bonds will be sold by Hutchinson, Shockey & Erley, Inc.

**Policy Compliance:**

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

**Executive Director Approval:**

Based on the overall public benefits, approval of the issuance of Bonds by the City of Vallejo, and conformance to the CSCDA Issuance Policies, the Commission recommends approval of the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

**Attachments:**

1. Original application

## Applicant Information

Primary Contact E-mail: [paul@integrityhousing.org](mailto:paul@integrityhousing.org)

Name of Developer: **Integrity Housing**

TIN or EIN: **47-2316517**

### Primary Contact

First Name: **Philip**

Last Name: **Wood**

Title: **Vice President**

#### Address:

Street: **4 Venture**

Suite: **295**

City: **Irvine**

State: **California**

Zip: **92618**

Phone: **(949) 727-3656**

Ext:

Fax:

Email: [phil@integrityhousing.org](mailto:phil@integrityhousing.org)

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **IH Seabreeze Vallejo LLC**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: 11/12/14

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **10**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **10**

### Secondary Contact

First Name: **Paul**

Last Name: **Carroll**

Title:

#### Address:

Street : **4 Venture**

Suite: **295**

City: **Irvine**

State: **California**

Zip: **92618**

Phone: **(310) 890-5124**

Ext:

Fax:

Email: [paul@integrityhousing.org](mailto:paul@integrityhousing.org)

### Primary Billing Contact

Organization: **IH Seabreeze Vallejo LLC**

First Name: **Philip**

Last Name: **Wood**

Title: **Vice President**

#### Address

Street: **4 Venture**

Suite: **295**

City: **Irvine**

State: **California**

Zip: **92618**

Phone: **(949) 727-3656**

Ext:

Fax:

Email: [phil@integrityhousing.org](mailto:phil@integrityhousing.org)

## Project Information

### Project Information

Project Name: **Seabreeze Apartments**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **Seabreeze Apartments**

**Facility Bond Amount: \$23,825,000.00**

#### Project Address:

Street or general location: **100 Larissa Lane**

City: **Vallejo**

State: **California**

Zip: **94590**

County: **Solano**

Is Project located in an unincorporated part of the County?  Y  N

#### Total Number of Units:

Market: **147**

Restricted: **37**

Total: **184**

Lot size: **8 acres**

#### Amenities:

Each unit in the property contains ample closet space, heating, approved window coverings, a mix of vinyl/linoleum flooring and carpet throughout the unit. The kitchens are furnished with a double-sink, garbage disposal, cabinets, stove/range, fridge.

#### Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

15 two-story garden style buildings. The roof is wood-framed, covered with shingles. A vinyl siding finish makes up the exterior walls.

#### Type of Housing:

New Construction

Acquisition/Rehab

#### Facility Use:

Family

Senior

Is this an Assisted Living Facility?

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency: **City of Vallejo Housing & Community Development**

First Name: Anne

Last Name: Putney

Title: Manager

Phone: (707) 648-4408

Ext:

Fax: (707) 648-5249

Email: aputney@ci.vallejo.ca.us

#### Public Benefit Info:

Percentage of Units in Low Income Housing: 20

Percentage of Area Median Income(AMI) for Low Income Housing Units: 50

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	12	767.00	1,025.00	258.00
2.	2 Bedrooms	50	25	862.00	1,150.00	288.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

## Government Information

### Project/Facility is in:

Congressional District #:

5

State Senate District #:

3

State Assembly/House of Representatives  
District #:

14

## Financing Information

### Financing Information

Maturity 40 Years

#### Interest Rate Mode:

Fixed  Variable

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

(Refunding only) Will you be applying for State Volume Cap?  Yes  No

Is this a transfer of property to a new owner?  Yes  No

#### Construction Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Permanent Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: East West Bank

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

AA+/A-1+

#### Projected State Allocation Pool:

General  Mixed Income  Rural

Will the project use Tax-Credit as a source of funding?  Y  N

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$16,125,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$450,000.00</u>
Other Funds (Describe):	
<b>Subordinate Tax Exempt Bond Proceeds</b>	<u><b>\$7,700,000.00</b></u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u><b>\$24,275,000.00</b></u>

#### Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$21,500,000.00</u>
Construction or Remodel:	<u>\$1,000,000.00</u>
Cost of Issuance:	<u>\$440,000.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$400,000.00</u>
Other Uses (Describe):	
<b>Credit Bank Costs</b>	<u><b>\$520,000.00</b></u>
<b>Transaction Costs</b>	<u><b>\$15,000.00</b></u>
<b>Developer Fee</b>	<u><b>\$400,000.00</b></u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u><b>\$24,275,000.00</b></u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe, LLP

#### Primary Contact

First Name: Thomas

Last Name: Downey

Title: Special Counsel

#### Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5965

Ext:

Fax: 415-773-5759

Email: tdowney@orrick.com

### Bank/Underwriter/Bond Purchaser

Firm Name: Hutchinson Shockey Erley & Co

#### Primary Contact

First Name: Lauro

Last Name: Garcia

Title: Senior Vice President

#### Address:

Street: 2020 Cordero Road

Suite:

City: Del Mar

State: California

Zip: 92014

Phone: 602-538-0073

Ext:

Fax:

Email: lgarcia@hsemuni.com

### Financial Advisor

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 11111

Phone: 111-111-1111

Ext:

Fax:

Email: Financial@advisor.com

### Rebate Analyst

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 11111

Phone: 111-111-1111

Ext:

Fax:

Email: Rebate@analyst.com

**RESOLUTION NO. 015H-\_\_**

**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 \$27,000,000 FOR THE FINANCING OF THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS SEABREEZE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS**

**WHEREAS**, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 8 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

**WHEREAS**, IH Seabreeze Vallejo LLC, a California limited liability company, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue tax-exempt revenue bonds to assist in the financing of the acquisition and rehabilitation of a 184-unit multifamily rental housing development located in the City of Vallejo, California and known as Seabreeze Apartments (the “Project”);

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

**WHEREAS**, the Authority is willing to issue not to exceed \$27,000,000 aggregate principal amount of its Variable Rate Demand Multifamily Housing Revenue Bonds (Seabreeze Apartments) 2015 Series L (the “Series L Bonds”) and its Subordinate Multifamily Housing Revenue Bonds (Seabreeze Apartments) 2015 Series L-S (the “Series L-S Bonds,” and together with the Series L Bonds, the “Bonds”), and 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 income persons;

**WHEREAS**, the Series L Bonds are expected to be secured by a direct-pay letter of credit provided by East West Bank; and

**WHEREAS**, there have been prepared and made available to the Commissioners the following documents required for the issuance of the Bonds, and such documents are now in

substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

(2) Loan Agreement with respect to the Series L Bonds (the “Senior Loan Agreement”), to be entered into among the Authority, the Trustee and the Borrower;

(3) Bond Purchase Agreement with respect to the Series L Bonds (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and Hutchinson, Shockey & Erley, Inc. and Stern Brothers, as underwriters of the Bonds (collectively, the “Underwriter”);

(4) Official Statement with respect to the Series L Bonds (the “Official Statement”), to be used in connection with the offer and sale of the Series L Bonds;

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

(6) Subordinate Indenture of Trust with respect to the Series L-S Bonds (the “Subordinate Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Subordinate Trustee”); and

(7) Subordinate Loan Agreement with respect to the Series L-S Bonds (the “Subordinate Loan Agreement”), to be entered into among the Authority, the Subordinate Trustee and the Borrower;

(8) Bond Placement Agreement with respect to the Series L-S Bonds (the “Placement Agreement”), to be entered into among the Authority, the Borrower, and Hutchinson, Shockey & Erley, Inc., as placement agent of the Series L-S Bonds (the “Placement Agent”);

**NOW, THEREFORE, BE IT RESOLVED** by the members of the Commission of the Authority (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 Senior Indenture and the Subordinate Indenture, as applicable, 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 “California Statewide Communities Development Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Seabreeze Apartments) 2015 Series L” and as “California Statewide Communities Development Authority Subordinate Multifamily Housing Revenue Bonds (Seabreeze Apartments) 2015 Series L-S” with appropriate modifications and series and sub-

series designations as necessary, in an original aggregate principal amount not to exceed \$27,000,000. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Senior Indenture and Subordinate Indenture, as applicable, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Senior Indenture and Subordinate Indenture, as applicable, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Senior Indenture and Subordinate Indenture, as applicable, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Authority.

Section 3. The Senior Indenture in the form presented at this meeting is hereby approved. Any Member of the Commission of the Authority (each, a “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. 14R-58 of the Authority, adopted on November 6, 2014) (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 Senior 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 December 1, 2059), 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 Series L Bonds shall be as provided in the Senior Indenture as finally executed.

Section 4. The Senior 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 Senior Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Authority is hereby authorized to sell the Series L Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Series L Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of

its date, within the meaning of rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of sale of the Series L Bonds, said Official Statement in final form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The 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 December 1, 2059), 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 Series L-S Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 9. The Subordinate 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 Subordinate 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 10. The Authority is hereby authorized to sell the Series L-S Bonds to the initial purchaser thereof with the help of the Placement Agent pursuant to the terms and conditions of the Placement Agreement. The form, terms and provisions of the Placement 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 Placement 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 11. The Bonds, when executed, shall be delivered to the applicable Trustee for authentication. The applicable Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the applicable Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the applicable Trustee.

Such instructions shall provide for the delivery of the Bonds to or at the direction of the purchasers thereof upon payment of the purchase price thereof.

Section 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, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Senior Indenture, the Senior Loan Agreement, the Purchase Agreement, the Subordinate Indenture, the Subordinate Loan 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 Senior Indenture, the Subordinate Indenture and other documents approved herein.

Section 14. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this April 9, 2015.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 9, 2015.

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

- c. **Tuolumne Road Partners LP, (Tuolumne Apartments), City of Tuolumne, County of Tuolumne; up to \$6,500,000 in multifamily housing revenue bonds.  
(Scott Carper)**

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	APRIL 9, 2015
<b>APPLICANT:</b>	TUOLUMNE ROAD PARTNERS, LP/THE MICHAELS DEVELOPMENT CO
<b>AMOUNT:</b>	UP TO \$6,500,000 OF MULTI-FAMILY HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION AND REHABILITATION OF TUOLUMNE APARTMENTS LOCATED AT 18400 TUOLUMNE ROAD IN TUOLUMNE, CA
<b>CSCDA PROGRAM:</b>	HOUSING

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### **Background:**

The proposed project, Tuolumne Apartments (the “Project”), is a 52-unit property located in Tuolumne, California. The Project application was filed on January 23, 2014 and induced on January 30, 2014.

### **Summary:**

Tuolumne Road Partners, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of not-to-exceed \$6,500,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 24 one-bedroom units and 28 two-bedroom units to low-income families in Tuolumne.

The Project was constructed in the 1974 with a HUD loan, which provides 51 units with project-based Section 8 under a HAP contract. The complex is comprised of four, one and two-story, residential buildings and one single-story laundry building situated on just over 3 acres. The Project needs re-capitalization and rehabilitation in order to maintain its affordability and remain competitive in the multifamily rental market.

The rehabilitation includes making the site ADA accessible by incorporating unobstructed pathways to the new community-laundry building, playground and picnic areas and resident units. Exterior improvements include paint, repair and replacement of siding and trim, repair doors, repave parking lots, new signage, landscaping improvements, and the replacement of roof coverings with gutters and downspouts. The proposed rehabilitation includes the demolition of the existing single-story laundry building and will be replaced with a new community building that will offer a leasing office, social room with kitchen facilities and restrooms, maintenance and laundry facilities. Interiors will receive kitchen and bathroom replacements and new appliances, carpeting, and HVAC equipment.

The rehabilitation is expected to begin in April 2015 and take approximately 11 months to complete.

### **Public Benefit:**

- Project Affordability
  - 100% of the Project’s units will be income restricted:

- 42 units reserved for tenants whose income is at or below 50% AMI
    - 9 units reserved for tenants whose income is at or below 60% AMI
    - 1 manager unit
  - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
  - The Project is located within a Public Transit Corridor
  - The Project is located within ½ mile of a park
  - The Project is located within ½ mile of a grocery store
  - The Project is located within ½ mile of a public school
  - The Project is located within ½ mile of a public library
  - The Project will provide educational, health and wellness or skill building classes to residents
- Economic Benefits
  - Based upon \$7,416,460 Project costs using a 1.8 multiplier the Project produces approximately \$13,349,628 total economic activity, and at 2.1 jobs per unit produces approximately 109 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

**Agency Approvals:**

**TEFRA Hearing:** April 7, 2015, County of Tuolumne, unanimous approval

**CDLAC Approval:** September 17, 2014

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$5,930,000	79.96%
Developer Equity	\$679,625	9.16%
Existing Project Reserves	\$185,000	2.49%
LIHTC Equity	<u>\$621,835</u>	<u>8.38%</u>
Total Sources	\$7,416,460	100.00%

Uses:

Acquisition	\$1,897,000	25.58%
Hard Construction Costs	\$2,577,496	34.75%
Architect & Engineering Fees	\$131,000	1.77%
Contractor Overhead & Profit	\$191,123	2.58%
Construction Interest & Fees	\$374,744	5.05%
Developer Fee	\$821,093	11.07%
Relocation	\$87,500	1.18%
Cost of Issuance	\$299,815	4.04%
Contingency Costs	\$295,647	3.99%
Capitalized Interest	\$20,483	0.28%
Reserves	\$140,000	1.89%
Other Soft Costs (Marketing, Etc.)	<u>\$580,559</u>	<u>7.83%</u>
	\$7,416,460	100.00%

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Continental Mortgage Corporation

**Financing Structure:**

The Bonds will be privately placed with Continental Mortgage Corporation. During the construction phase, the bonds will have a fixed interest rate of approximately 5.25%. After approximately 24 months, the bonds will convert to permanent financing with Bonneville Mortgage.

**Policy Compliance:**

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

**Executive Director Approval:**

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the County of Tuolumne, and conformance to the CSCDA Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

**Attachments:**

1. Original application
2. CDLAC Resolution Exhibit A

## Applicant Information

Primary Contact E-mail: [mboettger@themichaelsorg.com](mailto:mboettger@themichaelsorg.com)

Name of Developer: **The Michaels Development Co., I, LP, a New Jersey limited partnership**  
TIN or EIN: **22-2882621**

### Primary Contact

First Name: **Michael**  
Title: **Vice President**

Last Name: **Boettger**

#### Address:

Street: **2020 W. Kettleman Lane**

City: **Lodi**

Phone: **(209) 370-1559**

Email: **mboettger@themichaelsorg.com**

Suite:

State: **California**

Zip: **95242**

Ext:

Fax: **209-334-5387**

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **Tuolumne road Partners, LP, a California limited partnership**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: 6/12/2012

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **65**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **65**

### Secondary Contact

First Name:

Last Name:

Title:

#### Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **The Michaels Development Co., I, LP, a New Jersey limited partnership**

First Name: **Michael**

Last Name: **Boettger**

Title: **Vice President**

#### Address

Street: **2020 W. Kettleman Lane**

Suite:

City: **Lodi**

State: **California**

Zip: **95242**

Phone: **(209) 370-1559**

Ext:

Fax: **209-334-5387**

Email: **mboettger@themichaelsorg.com**

## Project Information

### Project Information

Project Name: **Tuolumne Apartments**

New Project Name(optional): **Same**

### Facility Information

#### Facility #1

Facility Name: **Tuolumne Apartments**

**Facility Bond Amount: \$6,500,000.00**

#### Project Address:

Street or general location: **18400 Tuolumne Road**

City: **Tuolumne**

State: **California**

Zip: **95379**

County: **Tuolumne**

Is Project located in an unincorporated part of the County?  Y  N

#### Total Number of Units:

Market: **1**

Restricted: **51**

Total: **52**

Lot size: **3.04 acres**

Amenities:

Laundry Building (to be demolished)

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Wood frame, 1 and 2 story, 5 buildings

#### Type of Housing:

New Construction

Acquisition/Rehab

#### Facility Use:

Family

Senior

Is this an Assisted Living Facility?

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency:

First Name: **Sheila**

Last Name: **Shanahan**

Title: **Housing Program Coordinator**

Phone: **209-533-6904**

Ext:

Fax:

Email: **sshanahan@co.tuolumne.ca.us**

#### Public Benefit Info:

Percentage of Units in Low Income Housing: **100**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50**

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	23	581.00	805.00	224.00
2.	2 Bedrooms	50	23	710.00	873.00	163.00
3.	1 Bedroom	60	1	705.00	805.00	100.00
4.	2 Bedrooms	60	4	748.00	873.00	125.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

## Government Information

### Project/Facility is in:

Congressional District #:

4

State Senate District #:

14

State Assembly/House of Representatives  
District #:

25

## Financing Information

### Financing Information

Maturity 30 Years

#### Interest Rate Mode:

Fixed  Variable

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

(Refunding only) Will you be applying for State Volume Cap?  Yes  No

Is this a transfer of property to a new owner?  Yes  No

#### Construction Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

#### Permanent Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

#### Expected Rating:

Unrated

Moody's:  S&P:  Fitch:

#### Projected State Allocation Pool:

General  Mixed Income  Rural

Will the project use Tax-Credit as a source of funding?  Y  N

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$5,857,649.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$647,680.00</u>
Developer Equity:	<u>\$622,553.00</u>
Other Funds (Describe):	
<b>Existing Project Capital Reserves</b>	<u>\$185,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$7,312,882.00</u>

#### Uses:

Land Acquisition:	<u>\$247,500.00</u>
Building Acquisition:	<u>\$1,614,500.00</u>
Construction or Remodel:	<u>\$2,959,838.00</u>
Cost of Issuance:	<u>\$151,650.00</u>
Capitalized Interest:	<u>\$204,828.00</u>
Reserves:	<u>\$141,748.00</u>
Other Uses (Describe):	
<b>A</b>	<u>\$131,000.00</u>
<b>Relocation (Temporary)</b>	<u>\$87,500.00</u>
<b>Legal</b>	<u>\$222,000.00</u>
<b>Developer Fee</b>	<u>\$822,553.00</u>
<b>Other soft cost incl. contingencies</b>	<u>\$729,765.00</u>
Total Uses:	<u>\$7,312,882.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick Herrington

#### Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Attorney at Law**

#### Address:

Street: **405 Howard Street**

City: **San Francisco**

Phone: **415-773-5908**

Email: **jcooper@orrick.com**

State: **California**

Ext:

Suite:

Zip: **94105**

Fax:

### Bank/Underwriter/Bond Purchaser

Firm Name:TBD

#### Primary Contact

First Name: TBD

Last Name: **TBD**

Title: **TBD**

#### Address:

Street: **TBD**

City: **TBD**

Phone: **415-773-5908**

Email: **jcooper@orrick.com**

State: **California**

Ext:

Suite:

Zip: **94105**

Fax:

### Financial Advisor

Firm Name:None

#### Primary Contact

First Name: **None**

Last Name: **None**

Title: **None**

#### Address:

Street: **None**

City: **None**

Phone: **209-370-1559**

Email: **mboettger@themichaelsorg.com**

State: **California**

Ext:

Suite:

Zip: **95242**

Fax:

### Rebate Analyst

Firm Name:

#### Primary Contact

First Name:

Last Name:

Title:

#### Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

**RESOLUTION NO. 15-12**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 15-009
3. Project Sponsor: Stoneman Village, LP (Leland Road, LLC)
4. Project Management Co.: Pittsburg Senior & Handicapped Residential Community, Inc.
5. Project Name: Stoneman Village Apartments
6. Type of Project: Acquisition and Rehabilitation/Senior Citizens
7. Location: Pittsburg, CA
8. Credit Enhancement Provider: Red Capital Markets / FHA Section 223(f)
9. The Credit Enhancement Provider at the time of issuance will be the same as represented in the application.
10. Total Number of Units: **145** plus **0** manager units
11. Total Number of Restricted Rental Units: **143**
12. The term of the income and rental restrictions for the Project will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.  
**Applicable**
14. Income and Rental Restrictions:  
For the entire term of the income and rental restrictions, the Project will have:  
  
At least **56** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.  
  
At least **87** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.  
**Applicable**
16. A minimum of \$0,000 of public funds will be expended for the Project.  
**Not Applicable**

RESOLUTION NO. 15-12

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

**Not Applicable**

18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.

**Not Applicable**

19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.

**Not Applicable**

20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.

**Not Applicable**

21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.

**Not Applicable**

22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.

**Not Applicable**

23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

**Applicable**

24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)

**Applicable**

**Minimum full-time equivalent hours per year:**

**499**

25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

**Not Applicable**

26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

**Not Applicable**

**RESOLUTION NO. 15-12**

**Exhibit A**

27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:

**Applicable**

Section Waived:

<input type="checkbox"/>	Energy Efficiency
<input type="checkbox"/>	CALGreen Compliance
<input type="checkbox"/>	Landscaping
<input type="checkbox"/>	Roofs
<input type="checkbox"/>	Exterior Doors
<input type="checkbox"/>	Appliances
<input type="checkbox"/>	Window Coverings
<input type="checkbox"/>	Water Heater
<input type="checkbox"/>	Floor Coverings
<input type="checkbox"/>	Paint
<input type="checkbox"/>	Insulation

28. The project commits to becoming certified under any one of the following programs upon completion:

- a. Leadership in Energy & Environmental Design (LEED) **Not Applicable**
- b. Green Communities **Not Applicable**
- c. GreenPoint Rated Multifamily Guidelines **Not Applicable**

29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:

- a. 17.5% **Not Applicable**
- b. 20% **Not Applicable**
- c. 25% **Not Applicable**

30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:

- a. LEED for Homes (Silver) **Not Applicable**
- b. LEED for Homes (Gold) **Not Applicable**
- c. Green Point Rated (100) **Not Applicable**
- d. Green Point Rated (125) **Not Applicable**

31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:

- a. 15% **Not Applicable**
- b. 20% **Not Applicable**
- c. 25% **Not Applicable**
- d. 30% **Not Applicable**

32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:

- a. Photovoltaic generation that offsets tenants loads **Not Applicable**
- b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
- c. Solar hot water for all tenants who have individual water meters **Not Applicable**

**RESOLUTION NO. 15-12**

**Exhibit A**

Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required):

**Not Applicable**

34. The project will sub-meter centralized hot water systems for all tenants:

**Not Applicable**

**RESOLUTION NO. 15H-\_\_**

**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 \$6,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS TUOLUMNE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.**

**WHEREAS**, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition and rehabilitation 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**, Tuolumne Road Partners, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition and rehabilitation of a 52-unit housing development located in Tuolumne, California, and generally known as Tuolumne Apartments (the “Project”);

**WHEREAS**, on September 17, 2014, the Authority received an allocation in the amount of \$5,930,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

**WHEREAS**, the County of Tuolumne is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

**WHEREAS**, the Authority is willing to issue not to exceed \$6,500,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Tuolumne Apartments Project), 2015 Series J (the “Bonds”), provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and 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 income persons;

**WHEREAS**, the Bonds will be privately placed with Continental Mortgage Corp. (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

**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) Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) Master Pledge and Assignment (the “Pledge Agreement”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower;

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

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Pledge Agreement, 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 “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Tuolumne Apartments Project) 2015 Series J,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$6,500,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign

for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-58 of the Authority, adopted on November 6, 2014) (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 Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

Section 4. The Agency 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 Agency 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 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 6. The Authority is hereby authorized to sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

Section 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 8. 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 deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Pledge 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 9. 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 Pledge Agreement and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this April 9, 2015.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 9, 2015.

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

- d. Independence Support, LLC, City of Livermore, County of Alameda; up to \$28,000,000 in revenue bonds. (Scott Carper)

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## SUMMARY AND APPROVALS

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**DATE:** APRIL 9, 2015

**APPLICANT:** INDEPENDENCE SUPPORT, LLC

**AMOUNT:** UP TO \$28 MILLION OF TAX-EXEMPT BONDS

**PURPOSE:** FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF EDUCATIONAL FACILITIES

**PRIMARY ACTIVITY:** LEASING TO TRI-VALLEY LEARNING CORPORATION AND CALIFORNIA PREPARATORY ACADEMIES FOR 9TH THROUGH 12TH GRADE CHARTER SCHOOL AND PRIVATE SCHOOL EDUCATION

**LEGAL STRUCTURE:** 501(C)(3) CORPORATION

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**Background:**

The proceeds of the Bonds are being loaned by the Authority to Independence Support, LLC, a limited liability company organized under the laws of the State of California (the “Borrower”), pursuant to a Loan Agreement between the Authority and the Borrower (the “Loan Agreement”). The sole member of the Borrower is Livermore Charter Zone Corporation (“LCZC”), a nonprofit public benefit corporation organized under the laws of the State of California and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”).

The proceeds of the Bonds will be used to (i) acquire all of the real property improvements located on the Project Site, including a 79,270 square-foot, two-story office building that was constructed in 2002 located in Livermore, California (the “Facilities”), and pay costs incurred in connection with such acquisition; (ii) furnish improvements to the Facilities; (iii) make the required deposit to the Reserve Account established to secure the Bonds; and (iv) pay certain costs of issuance.

The Facilities are located on a 5.56-acre site in Livermore, California called Independence Plaza (the “Project Site”), owned by Goldstone United Investments, LLC, a California limited liability company (the “Land Owner”). The Project Site will be leased to the Borrower free of rent for an approximate 50-year term, plus a 25-year extension term at the option of the Borrower, pursuant to a Ground Lease (the “Ground Lease”), between the Borrower, as lessee, and the Land Owner, as lessor.

The Borrower will lease the Facilities and sublease the Project Site to Tri-Valley Learning Corporation, a California nonprofit public benefit corporation (“TVLC”), and to California Preparatory Academies, a California nonprofit public benefit corporation (“CPA” and, collectively with TVLC, the “Tenants”), pursuant to a Lease Agreement (the “Lease”), by and between the Borrower and the Tenants. Under the Lease, the Tenants are jointly and severally liable for the obligations imposed thereby, including the payment of Base Rent and Additional Rent to the Borrower. The Tenants will utilize the Facilities as the location for Livermore Valley Charter Preparatory High School (“LVCP”), a California public charter school, and the San Francisco Bay Preparatory Academy, a private boarding high school.

TVLC is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, that currently operates five charter schools: LVCP and Livermore Valley Charter School (“LVCS”), located in Livermore, California; Acacia Elementary Charter School (“AECS”) and Acacia Middle Charter School (“AMCS”), located in Stockton, California; and Old Town Academy K-8 Charter School (“OTA”), located in San Diego, California.

LVCP is a charter high school that has been in operation since August 2010 under a charter granted by the State Board of Education (the “SBE”) in July 2009, which was renewed by the Livermore Valley Joint Unified School

District (the “Livermore District”) in 2014 and is currently scheduled to expire on June 30, 2020. LVCP currently serves 433 students in grades 9-12. LVCS is a K-8 charter school that was founded in 2004. LVCS operates under a charter originally granted by the SBE in September 2005, which was renewed by the SBE in 2008 through 2013, and by the Livermore District in 2013 (through June 30, 2018). LVCS currently serves 1,115 students in grades K-8. AECS and AMCS began operation in August 2013 under charters granted by the New Jerusalem Elementary School District in January 2013, which expire on June 30, 2018. Currently, AECS serves 298 students in grade TK (Transitional Kindergarten) through grade 5, and AMCS serves 100 students in grades 6-8. OTA is a K-8 charter school that began operations in September 2011 under a charter granted by the San Diego Unified School District in November 2010. OTA’s charter expires on June 30, 2016. OTA joined TVLC in June 2014. OTA currently serves 252 students.

CPA is a newly-founded organization created to operate top-tier private, secondary preparatory schools in California. The organization’s first campus will be San Francisco Bay Preparatory Academy (“SFBPA”) in Livermore, California.

SFBPA is a private high school owned and operated by CPA. CPA intends for SFBPA to open for classes in August 2015 at the Facilities. SFBPA is currently projected to have 150 students enrolled for the 2015-16 school year in grades 9 through 12. Management expects SFBPA to serve 600 students in grades 9-12 when it reaches capacity in approximately three years.

**TEFRA Information:**

A TEFRA hearing is scheduled to be held on April 21, 2015 by the county of Alameda. Any approval by the commissioners will be subject to an approved TEFRA on April 21<sup>st</sup>.

**Finance Team:**

- Bond/Authority Counsel: Orrick, Herrington & Sutcliffe LLP  
Los Angeles, CA
- Borrower’s Counsel: Velton Zegelman PC  
Sunnyvale, CA
- Underwriter: Oppenheimer & Co. Inc.  
Fort Lauderdale, FL
- Underwriter’s Counsel: Kline Alvarado Veio, P.C.  
Denver, CO
- Trustee: U.S. Bank National Association  
San Francisco, CA

**Financing Structure:**

The proceeds of the Bonds will be applied, together with other available moneys, to (i) acquire the Facilities and pay costs incurred in connection with such acquisition; (ii) furnish improvements to the Facilities; (iii) make the required deposit to the Reserve Account; and (iv) pay certain costs of issuance. The Bonds are anticipated to be sold as term bonds (either a single bond maturing in 30 years or multiple bonds, the last one of which matures in 30 years). Principal will be amortized annually to create level annual principal+interest. The interest rate is estimated to be fixed at 6.5%. The proposed issuance is in accordance with CSCDA’s issuance guidelines.

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**Estimated Sources and Uses:**

Sources of Funds

Proceeds of Bonds	\$24,750,000
Borrower Contribution	385,000
CPA Lease Prepayment	987,372
Total Sources	\$26,122,372

Uses of Funds

Building Purchase Price	\$16,247,503
Construction	6,000,000
Existing Tenant Termination Expenses	975,000
Title Insurance	97,500
Reserve Account Deposit	1,922,369
Costs of Issuance	880,000
Total Uses	\$26,122,372

**Executive Director Approval:**

Based on the overall public benefits, subject to TEFRA approval by the County of Alameda, and conformance to the CSCDA Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

**Organization**

Name of Organization: **Independence Support Corporation**  
TIN or EIN:

**Primary Contact**

First Name: **Bill** Last Name: **Batchelor**  
Title: **Agent**  
Street: **3090 Independence Drive** Suite:  
City: **Livermore** State: **California** Zip: **94551**  
Phone: **(408) 761-2228** Ext: Fax:  
Email: **bbatchelor@trivalleylearning.org**

**Secondary Contact**

First Name: Last Name:  
Title:  
**Address:**  
Street : Suite:  
City: State: Zip:  
Phone: Ext: Fax:  
Email:

**Primary Billing Contact**

Organization: **Independence Support Corporation**  
First Name: **Bill** Last Name: **Batchelor**  
Title:  
**Address:**  
Street: **3090 Independence Drive** Suite:  
City: **Livermore** State: **California** Zip: **94551**  
Phone: **(408) 761-2228** Ext: Fax:  
Email: **bbatchelor@trivalleylearning.org**

## Project Information

Project type: **Education: K-12**

Other:

Project Name: **California Preparatory Academies**

Small Issue Public Benefit Project?

### Facility #1

Facility Name: **Independence Plaza**

Facility Bond Amount: **\$25,000,000.00**

#### Project Address:

Street or general location: **3090 Independence Drive**

City: **Livermore**

State: **California**

Zip: **94551**

County: **Alameda**

Is Project located in an unincorporated part of the County?  Y  N

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

### Public Benefit Info

#### For Private School Facility Only:

Tuition assistance K-8:

Tuition assistance 9-12:

Total tuition K-8:

Total tuition 9-12:

Part reimbursed K-8:

Part reimbursed 9-12:

% students receiving 50% tuition assistance:

### Government Information

#### Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly/House of Representatives  
District #:

15

7

16

## Financing Information

### Financing Information

Tax Exempt: \$ 25,000,000.00  
Taxable: \$ 500,000.00  
Total Principal Amount: \$ 25,500,000.00  
Maturity 30Years

#### Interest Rate Mode:

Fixed  Variable

Denominations: 100000

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

#### Financing:

Credit Enhancement  Letter of Credit  
 None  
 Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

## Financing Team Information

### Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

#### Primary Contact

First Name: Eugene

Last Name: Clark-Herrera

Title: Partner

#### Address:

Street: 405 Howard Street

City: San Francisco

Phone: 415-773-5911

Email: ech@orrick.com

State: California

Ext:

Suite:

Zip: 94105

Fax: 415-773-5759

### Bank/Underwriter/Bond Purchaser

Firm Name: Oppenheimer & Co. Inc.

#### Primary Contact

First Name: Jonathan

Last Name: Murstein

Title: Executive Director

#### Address:

Street: 100 NE 3rd Ave

City: Fort Lauderdale

Phone: 954-356-8302

Email: jonathan.murstein@opco.com

State: Florida

Ext:

Suite: 500

Zip: 33301

Fax: 954-356-8399

### Financial Advisor

Firm Name:

#### Primary Contact

First Name:

Last Name:

Title:

#### Address:

Street:

City:

Phone:

Email:

State:

Ext:

Suite:

Zip:

Fax:

### Rebate Analyst

Firm Name:

#### Primary Contact

First Name:

Last Name:

Title:

#### Address:

Street:

City:

Phone:

Email:

State:

Ext:

Suite:

Zip:

Fax:

**RESOLUTION NO. 15NP-5**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A  
PRINCIPAL AMOUNT NOT TO EXCEED \$28,000,000 TO FINANCE THE  
ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND  
EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES FOR INDEPENDENCE  
SUPPORT, LLC, WHOSE SOLE MEMBER IS LIVERMORE CHARTER ZONE  
CORPORATION AND OTHER MATTERS RELATING THERETO**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), a number of California cities, counties and special districts (each, a "Program Participant") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Statewide Communities Development Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development;

WHEREAS, the Authority is authorized by a resolution adopted March 21, 1991, to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the "Eligible Organizations");

WHEREAS, pursuant to the provisions of the Act, the cities, counties and special districts which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal;

WHEREAS, the County of Alameda (the "County") is a Program Participant, and such County is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code of the State of California;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with the Eligible Organizations and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, Independence Support, LLC, whose sole member is Livermore Charter Zone Corporation, a California nonprofit public benefit corporation (the “Borrower”), wishes to finance the acquisition, construction, improvement, renovation and equipping (the “Project”) of certain educational facilities (the “Facilities”) to be located in the County and to be owned the Borrower and leased to Tri-Valley Learning Corporation for use as a charter school and California Preparatory Academies for use as a private school;

WHEREAS, the Borrower is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to an Indenture (the “Indenture”), between the Authority and a to be determined trustee (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Educational Facilities Revenue Bonds (Livermore Charter Zone Project), Series 2015 (the “Bonds”) for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Contract”), among Oppenheimer & Co. Inc., as underwriter (the “Underwriter”), the Authority and the Borrower, the Bonds will be sold to the Underwriter and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project, to fund a debt service reserve account and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Bonds will be offered for sale to Approved Institutional Buyers (as defined in the Indenture) through a limited offering memorandum;

WHEREAS, there have been made available to the Commissioners of the Authority the following documents and agreements:

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract; and
- (4) A proposed form of limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

NOW THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

**Section 1.** Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Educational Facilities Revenue Bonds (Livermore Charter Zone

Project)” in one or more series, in an aggregate principal amount not to exceed TWENTY EIGHT MILLION dollars (\$28,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds 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 member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-58 of the Authority, adopted on November 6, 2014 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

**Section 2.** The proposed form of Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The trustee, dated date, maturity date or dates, interest rate or rates or methods of determining rates, tender provisions, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 3.** The proposed form of Loan Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4.** The proposed form of the Purchase Contract, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Purchase Contract, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The proposed preliminary form of Limited Offering Memorandum, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute the Limited Offering Memorandum, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

**Section 7.** The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

**Section 8.** The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

**Section 9.** It is the policy of the Authority to require a "traveling investor letter" when its bonds that are unrated are sold to accredited investors; however, the Commission finds and determines that a "traveling investor letter" is not needed with respect to the delivery and subsequent transfers of the Bonds and hereby waives such policy with respect to the Bonds.

**Section 10.** All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

**Section 11.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the County has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing for the Project.

**Section 12.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 9th day of April, 2015.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 9, 2015.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

**Item VI.**

**Consideration of the Program Administration Agreement between CSCDA and Counterpoint Energy Solutions LLC.**

**Item VII.**

**Discussion of Assignment Structure and PPA Structure for the CaliforniaFIRST Commercial PACE program.**

**Item VIII.**

**Consideration of a Resolution approving the CaliforniaFIRST Commercial PACE Assignment Documents and Related Items:**

- a. Consideration of CaliforniaFIRST Commercial PACE Assignment Documents.**
- b. Consideration of approving Hannon Armstrong as a CaliforniaFIRST Commercial PACE Investor.**
- c. Consideration of revised fee structure for CaliforniaFIRST Commercial PACE.**

**Item IX.**

**Discussion of CaliforniaFIRST Residential PACE CAEATFA Loss Reserve Program.**

**Item X.**

**First quarter CaliforniaFIRST Residential PACE update.**

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**SUMMARY AND APPROVALS**

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**DATE:** APRIL 9, 2015

**CSSCDA PROGRAM:** CALIFORNIAFIRST – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

**PURPOSE:**

- I. DISCUSSION OF COMMERCIAL PACE ASSIGNMENT STRUCTURE AND PPA STRUCTURE
- II. CONSIDERATION OF RESOLUTION APPROVING CALIFORNIA FIRST COMMERCIAL PROGRAM MASTER ASSIGNMENT DOCUMENTS AND RELATED ITEMS
- III. DISCUSSION OF CALIFORNIA FIRST RESIDENTIAL PROGRAM CAEATFA LOSS RESERVE REFUND
- IV. FIRST QUARTER CALIFORNIA FIRST RESIDENTIAL PROGRAM UPDATE

**Background:**

The Commission is being asked to hear or consider several items for the CaliforniaFIRST program: 1. A discussion of the Commercial PACE assignment and PPA structure, 2. Consideration of resolution approving CaliforniaFIRST Commercial master assignment documents and related items including documents, initial investor and fees, 3. Discussion of the CaliforniaFIRST Residential Program CAEATFA loss reserve refund, and 4. First quarter California FIRST Residential Program update.

**Discussion:**

The CaliforniaFIRST Commercial PACE program has been launched since September 2012 and the Residential PACE program since May 2014. The Program Administrator, Renewable Funding, regularly seeks to improve the program for the benefit of property owners and recent law changes have offered this opportunity.

I. Discussion of Commercial PACE assignment structure and PPA structure

With the passage of AB 1883, the Improvement Act of 1911 was further modified to permit the following: 1) the assignment of voluntary contractual assessments to investors prior to the issuance of bonds subject to an agreement that would specify the period of assignment or transfer, not to exceed 3 years, and 2) additional flexibility for power purchase agreements or leases financed using the fund from contractual assessments.

Renewable Funding has found that many contractors and commercial property owners find it cumbersome and expensive to identify and negotiate terms with a PACE investor in order to finance a project. Renewable Funding has reached agreement with Hannon Armstrong, the Maryland based REIT focused on clean energy investing, to provide financing for projects for which the property owner or contractor does not have their own source of capital. Hannon Armstrong's rates and

other terms are expected to be significantly more favorable for property owners than those of other PACE investors.

Under the assignment structure, parties such as CSCDA and bond counsel will have core activities at assignment and eventual bond issuance. As such, it is recommended to split the typical fee to align with the core activities at assignment and bonds issuance. It is recommended, that CSCDA receive 0.25% of the principal amount upon assignment of an Assessment Contract and of 0.50% of the principal amount upon issuance of the bond at the conclusion of the Assignment period. The bond issuance fee will be subject to a minimum of \$10,000 and a maximum of \$250,000.

## II. Consideration of resolution approving CaliforniaFIRST Commercial program Master Assignment documents and related items.

The “Resolution authorizing execution and delivery of a Master Assignment agreement, a Depository and Account Control Agreement, one or more Assessment Contracts and one or more assignment instruments for assignment of voluntary Contractual Assessments and approving and directing related documents and actions” authorizes the Master Assignment Agreement that would allow CSCDA to assign a voluntary Contractual Assessment to an investor for a specified period of time, not to exceed 3 years, and up to \$50M initially; the Depository and Account Control Agreement between Wilmington Trust and the assignee under the Master Assignment Agreement prior to a bond trustee; and other items related to the assignment of voluntary Contractual Assessments.

## III. Discussion of CaliforniaFIRST Residential program CAEATFA loss reserve funds

The emergency regulations suspending the CAEATFA loss reserve Program’s administrative fees of 0.25% became effective January 30<sup>th</sup>, and CAEATFA has received inquiries from their legal department and the Department of Finance as to how the fees will be returned. Below outlines the reimbursement plan.

The CAEATFA loss reserve funds collected from each property owner will be credited to their next payment. For example, if a property owner typically pays \$1,500 per year on their CaliforniaFIRST PACE Assessment and the CAEATFA loss reserve fee collected was \$50. They will pay \$1,450 on their next payment. The following year, the regular payment amount will be applied.

Renewable Funding, as the program administrator, intends to put this in effect by June 30 when the payments are boarded on the tax roll. However, Renewable Funding is taking action now to transfer funds to the appropriate accounts at the trustee.

## IV. First quarter CaliforniaFIRST Residential program update

The California FIRST Residential PACE program rolled out over the summer was fully launched in the original 17 counties in September 2014. With the completion of the statewide validation in November 2014, the program has expanded into a number of new cities and counties. Key highlights about program include:

- There are over 520 approved contractors in the program
- There are 175 individual cities in the program representing 30 counties
- Over 4,400 applications have been received representing nearly \$100M in value
- Financings have occurred in cities or unincorporated areas of the following 21 counties:  
Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Monterey, Napa, Sacramento,  
San Benito, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz,  
Solano, Sonoma, Tulare, Ventura, and Yolo
- Over 500 assessment contracts representing \$13 M in value have been funded through bond  
issuances.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF A  
MASTER ASSIGNMENT AGREEMENT, A DEPOSITARY AND  
ACCOUNT CONTROL AGREEMENT, ONE OR MORE ASSESSMENT  
CONTRACTS AND ONE OR MORE ASSIGNMENT INSTRUMENTS  
FOR ASSIGNMENT OF VOLUNTARY CONTRACTUAL  
ASSESSMENTS AND APPROVING AND DIRECTING RELATED  
DOCUMENTS AND ACTIONS**

**ALL COVERED JURISDICTIONS**

**WHEREAS**, the California Statewide Communities Development Authority (“California Communities”) is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 589810) (“Chapter 29”) to levy contractual assessments to finance the installation of certain improvements; and

**WHEREAS**, this Commission previously adopted the resolutions shown in Appendix 1 for the counties, and cities in Los Angeles County, listed at Appendix 1 (each, a “Covered Jurisdiction,” and collectively, the “Covered Jurisdictions”), each entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (collectively, the “Resolutions of Intention”), to initiate proceedings under Chapter 29 in and for the territory within each Covered Jurisdiction (the “Program Area”) to establish the CaliforniaFIRST program (the “Program”), pursuant to which California Communities would enter into contractual assessments to finance distributed generation renewable energy sources and energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “Bond Law”), and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

**WHEREAS**, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Commission adopted the resolutions listed in Appendix 1 for the Covered Jurisdictions, each entitled “Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (collectively, the “Initial Resolutions Confirming Program Report”), pursuant to which the Commission, among other things, (i) confirmed and approved a report (as subsequently amended, the “Program Report”) addressing all the matters required by Chapter 29, including a draft agreement between California Communities and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements (“Assessment Contracts”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of Authorized Improvements; and

**WHEREAS**, the Commission subsequently amended those of the Program Reports that were approved prior to the effectiveness of Assembly Bill 44 and Senate Bill 1340 by adopting the resolutions listed in Appendix 1 under the heading “2012 Resolutions Amending Program Report” for the related Covered Jurisdictions; and

**WHEREAS**, the Commission subsequently amended the Program Reports relating to the then-member Covered Jurisdictions by adopting Resolution No. 14R-23 on May 22, 2014 and Resolution No. 14R-59 on November 6, 2014 (such resolutions, together with the Initial Resolutions Amending Program Report and Resolutions Amending Program Report, the “Resolutions Confirming Program Report”); and

**WHEREAS**, pursuant to the Resolutions Confirming Program Report, the Commission, among other things, confirmed and approved Program Reports that addressed all the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a form of Assessment Contract between California Communities and property owners participating in the Program providing for payment of contractual assessments; and

**WHEREAS**, under Chapter 29 and the Bond Law, the Commission adopted the resolutions listed in Appendix 1 under the heading “Original Resolutions of Issuance” for the Covered Jurisdictions, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” which among other matters, authorized the issuance of one or more series of improvement bonds of California Communities upon the security of assessments levied on the participating parcels within the Program Area under Chapter 29 and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

**WHEREAS**, in connection with the CaliforniaFIRST Program, California Communities obtained the following default judgments:

(i) a default judgment rendered on August 17, 2012, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2012-00121447;

(ii) a default judgment rendered on March 4, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2013-00153863; and

(iii) a default judgment rendered on October 17, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of

California Communities' 'CaliforniaFIRST' Property Assessed Clean Energy ('PACE') Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto," Case No. 34-2014-00166647; and

**WHEREAS**, Section 5898.28(b) of Chapter 29, which became effective as of January 1, 2015, with the enactment of Assembly Bill 1883, permits California Communities to transfer its right, title and interest in and to any voluntary contractual assessment for a term not to exceed three years (an "Assignment") if bonds have not been issued pursuant to Section 5898.28(a) of Chapter 29; and

**WHEREAS**, by its Resolution No. 15R-3, adopted on January 29, 2015, the Commission approved a form of master assignment agreement to effectuate the Assignments, but staff has asked the Commission to consider a significantly revised draft of such agreement, reflecting further discussions with potential assignees, along with other related documents and matters;

**WHEREAS**, in order to effectuate the Assignments, the Commission wishes to approve the following documents in substantially the form on file with the Secretary: (i) a form of master assignment agreement (the "Master Assignment Agreement"), (ii) a form of depositary and account control agreement (the "Depositary Agreement"), (iii) a form of Assignment Instrument (which is attached as Exhibit A to the Master Assignment Agreement) (each, an "Assignment Instrument") and (iv) a form of Assessment Contract; and

**WHEREAS**, this Commission wishes to authorize the Authority to execute and deliver, from to time, one or more Assignment Instruments and related Assessment Contracts in an aggregate amount not to exceed \$50,000,000, and other related matters; and

**WHEREAS**, all conditions, things and acts required to exist, to have happened and to have been performed precedent to the execution and delivery of the Master Assignment Agreement, the Depositary Agreement and one or more Assignment Instruments, exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California; and

**NOW THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

1. The Commission hereby approves the Master Assignment Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute one or more Master Assignment Agreements with assignees that are "qualified institutional buyers" as generally defined under Rule 144A of the Securities Act of 1933 or "accredited investors" as generally defined under Regulation D of the Securities Act of 1933, for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. This Commission hereby authorizes the delivery and performance of the Master Assignment Agreement by the Authority.

2. The Commission hereby approves the Depositary Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Depositary Agreement for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. This Commission hereby authorizes the delivery and performance of the Depositary Agreement by the Authority.

3. The Commission hereby approves a form of Assessment Contract to be used in connection with the Master Assignment Agreement in order to provide financing for the installation of distributed generation renewable energy sources pursuant to Chapter 29 that will be attached to non-residential property (including residential property containing four or more units) in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute such Assessment Contracts for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. The Commission hereby authorizes the delivery and performance by the Authority of such Assessment Contracts in connection with the Master Assignment Agreement and the Depositary Agreement.

4. The Commission hereby approves the execution and delivery of one or more Assignment Instruments in substantially the form attached to a Master Assignment Agreement, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission) and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute one or more Assignment Instruments for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. This Commission hereby authorizes the delivery and performance of such Assignment Instruments by the Authority.

An Assignment shall have a term not to exceed three years, the maximum aggregate amount of such Assignments authorized by this Resolution is \$50,000,000 and each Assignment shall, in any event, conform to the requirements of Chapter 29 and all other applicable law.

5. Each Authorized Signatory of California Communities is hereby authorized and directed, for and in the name and on behalf of California Communities, to execute and direct recordation with the applicable County recorder all notices required by Chapter 29 and do any and all other things and take any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the Assignments authorized by this Resolution and any of the other transactions contemplated by the documents approved pursuant to this Resolution, including but not limited to the issuance of one or more Complying PACE Bonds (as defined in the Master Assignment Agreement) in the circumstances and for the purposes specified in the Master Assignment Agreement. All actions heretofore taken by the officers and agents of

California Communities with respect to the Master Assignment Agreement, the Depositary Agreement and the proposed Assignments are hereby approved, confirmed and ratified.

6. This resolution shall take effect from and after its adoption.

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PASSED AND ADOPTED by the California Statewide Communities Development Authority this 29th day of January 2015.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on January 29, 2015.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide  
Communities Development  
Authority

## APPENDIX 1

### 1. Counties:

Alpine	Placer
Alameda	Plumas
Amador	Riverside
Butte	Sacramento
Calaveras	San Benito
Colusa	San Bernardino
Contra Costa	San Diego
Del Norte	San Francisco
El Dorado	San Joaquin
Fresno	San Luis Obispo
Glenn	San Mateo
Humboldt	Santa Barbara
Imperial	Santa Clara
Inyo	Santa Cruz
Kern	Shasta
Kings	Sierra
Lake	Siskiyou
Lassen	Sonoma
Madera	Solano
Marin	Stanislaus
Mariposa	Sutter
Mendocino	Tehama
Merced	Trinity
Modoc	Tulare
Monterey	Tuolumne
Mono	Ventura
Nevada	Yolo
Napa	Yuba
Orange	

## 2. Cities in Los Angeles County

Agoura Hills	Gardena	Paramount
Alhambra	Glendale	Pasadena
Arcadia	Glendora	Pico Rivera
Artesia	Hawaiian Gardens	Pomona
Avalon	Hawthorne	Rancho Palos Verdes
Azusa	Hermosa Beach	Redondo Beach
Baldwin Park	Huntington Park	Rolling Hills Estates
Bell	Industry	San Dimas
Bell Gardens	Inglewood	San Gabriel
Bellflower	La Mirada	San Marino
Beverly Hills	La Verne	Santa Clarita
Burbank	Lakewood	Santa Fe Springs
Calabasas	Lancaster	Santa Monica
Carson	Lomita	South Gate
Claremont	Long Beach	South Pasadena
Commerce	Los Angeles	Temple City
Compton	Lynwood	Torrance
Covina	Maywood	Vernon
Cudahy	Monrovia	Walnut
Culver City	Montebello	West Covina
Downey	Monterey Park	West Hollywood
Duarte	Norwalk	Westlake Village
El Monte	Palmdale	Whittier
El Segundo	Palos Verdes Estates	

### 3. Resolutions of Intention:

Covered Jurisdiction(s)	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
2014 Program Expansion*	14R-18	4/17/2014
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

\* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

#### 4. Initial Resolutions Confirming Report:

Covered Jurisdiction(s)	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
2014 Program Expansion*	14R-32	7/17/2014
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

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\* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

**5. 2012 Resolutions Amending Program Report:**

<b>Covered Jurisdiction(s)</b>	<b>Resolution Confirming Report #</b>	<b>Date</b>
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

**6. Original Resolutions of Issuance:**

<b>Covered Jurisdiction</b>	<b>Resolution #</b>	<b>Date</b>
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
2014 Program Expansion*	14R-31	7/17/2014
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

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\* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

**AGENDA OF THE  
SPECIAL MEETING OF THE  
CALIFORNIA STATEWIDE FINANCING AUTHORITY**

**April 9, 2015**

**10:00a.m. or upon adjournment of CSCDA Regular Meeting  
League of California Cities  
1400 K Street, 3<sup>rd</sup> Floor  
Sacramento, California**

County of Butte  
7 County Center Drive  
Oroville, CA 95965

County of Monterey  
168 West Alisal Street  
Salinas, CA 93901

709 Portwalk Place,  
Redwood City, CA 94061

3252 Southern Hills Drive  
Fairfield, CA 94534

27788 Hidden Trail Road  
Laguna Hills, CA 92653

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the April 17, 2014 Special Meeting.
- III. Consideration of Request for Proposal for Financial Advisory Services in connection with the structuring of a refunding of the Authority's Tobacco Settlement Asset-backed Bonds, Series 2002 and a negotiated purchase of all or a portion of Authority's Tobacco Settlement Asset-backed Bonds, Series 2006 (Pooled Tobacco Securitization Program). (Cathy Bando)
- IV. Consideration of the Resolution engaging Citigroup Global Markets Inc., RBC Capital Markets and JPMorgan Securities Inc. to undertake analysis and serve as underwriter for a refunding of the Authority's Tobacco Settlement Asset-backed Bonds Series 2002 and a negotiated purchase of all or a portion of the Authority's Tobacco Settlement Asset-backed Bonds, Series 2006 (Pooled Tobacco Securitization Program). (Cathy Bando)
- V. Public Comment
- VI. Adjourn



**Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.**

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

California State Association of Counties  
1100 K Street, Sacramento, California

April 17, 2014

**MINUTES**

Commission Chair Larry Combs called the meeting to order at 10:03 am.

**I. Roll Call**

Commission members present: Larry Combs, Chair, and Dwight Stenbakken. Tim Snellings, alternate Commissioner Ron Holly, representing Terry Schutten, and alternate commissioner Brian Moura, representing Kevin O'Rourke also participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer and Norman Coppinger, League of California Cities; Caitlin Lanctot and Mike LaPierre, HB Capital; Mark Paxson, State Treasurer's Office; and Cliff Staton, Renewable Funding. Scott Carper, HB Capital; Greg Stepanicich, Richards Watson & Gershon; Chris Lynch, Jones Hall; and Patricia Eichar and Erin Pham, Orrick Herrington & Sutcliffe, participated by conference telephone.

**II. Approval of minutes—April 3, 2014**

The commission approved the minutes for the special meeting held April 3, 2014.

Motion to approve by Stenbakken; second by Holly; unanimously approved by roll-call vote.

**III. Consideration of post-issuance compliance procedures.**

Mike LaPierre explained that due to the IRS audit of the CSFA 2006 Tobacco Settlement Bonds, bond counsel has suggested that the commission adopt post-issuance tax compliance procedures and designate a responsible officer to deal with post-issuance compliance matters. Such procedures have been developed and distributed to commissioners. CSFA engaged the BLX Group as an expert advisor and designated Wells Fargo Bank as trustee to administer the tobacco settlement investments. Consequently, the designated responsible officer would be relying on others to perform the essential compliance functions.

Staff recommends adoption of the post-issuance compliance procedures, as well as designation of the CSCDA Executive Director as the responsible officer.

Motion to approve staff recommendation by Stenbakken; second by Snellings; unanimously approved by roll-call vote.

**IV. Public Comment.**

None.

**V. Adjournment.**

Commission Chair Larry Combs adjourned the meeting at 10:30 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

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## SUMMARY AND APPROVALS

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**DATE:** APRIL 9, 2015

**SUBJECT:** REFUNDING AND RESTRUCTURING OF 2002 AND 2006 TOBACCO SETTLEMENT ASSET-BACKED BONDS

**PURPOSE:** ENGAGEMENT OF CITIGROUP, RBC AND JP MORGAN AS UNDERWRITERS AND AUTHORIZATION OF A REQUEST FOR PROPOSALS FOR PRICING AGENT IN CONNECTION WITH THE REFUNDING AND RESTRUCTURING

**CSCDA PROGRAM:** PUBLIC AGENCY

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### **Background:**

In August 2002, the California Statewide Financing Authority (the “Authority”) sold \$196,545,000 of Tobacco Settlement Asset-Backed Bonds, Series 2002 to finance the purchase, from the Member Counties (which included the Counties of Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo and Yuba), of the settlement payments to be received by the Member Counties as a result of a Master Settlement Agreement entered into by participating cigarette manufacturers, 46 states and six jurisdictions in the settlement of certain smoking-related litigation. In April 2006, the Authority issued \$61,750,538.25 in subordinate Tobacco Settlement Asset-Backed Bonds, Series 2006 to finance the purchase of residual payments remaining after the 2002 bonds are repaid for a certain sub-sect of the Member Counties.

The California Statewide Communities Development Authority (“CSCDA”) is currently assisting the Authority and the Member Counties on a potential refinancing of the Series 2002 Bonds. The Series 2006 Bonds are fully subordinate in all respects to the Series 2002 Bonds and as such, the Series 2006 Indenture contained provisions limiting the issuance of additional bonds on a parity with the Series 2002 Bonds. As a result, a refinancing of the Series 2002 Bonds will require the consent of a majority in interest of the Series 2006 Bondholders along with a negotiated purchase of all or a portion of the Series 2006 Bonds.

### **Summary:**

The underwriting team of Citigroup, RBC and JP Morgan underwrote the 2002 and 2006 bonds and is familiar with the structure of the original bonds and can identify the current bondholders. The underwriting team has represented to CSFA that it can obtain the cooperation and consent of the 2006 bondholders creating an opportunity to refund the 2002 bonds and generating an additional upfront payment to the eleven participating counties that is currently estimated to be \$10.2 million. Citigroup, one of the underwriters, currently holds a position representing approximately 7% of the 2006 bonds.

### **Financing Structure:**

The preliminary refinancing structure will include the issuance of Senior and Subordinated bonds to refund the 2002 bonds and a tender payment to the 2006 bond holders in exchange for their consent

to refund the 2002 bonds. The precise financing structure will be approved by the CSFA at a future meeting.

**Executive Director Approval:**

The Executive Director recommends approval of the Resolution appointing Citigroup, RBC and JPMorgan to enable the underwriting team to commence conversations with the eleven participating counties to obtain their approval of the transaction. The Executive Director also recommends authorization of a Request for Proposal for Pricing Agent and Financial Advisory services in connection with the proposed refunding/restructuring. The engagement of a Pricing Agent will provide CSFA and the eleven counties with additional expertise on the transaction, particularly with regard to the pricing of the proposed refunding and tender payment to the 2006 bond holders.

**Attachments:**

1. CSFA Resolution Authorizing the Engagement of Citigroup, RBC and JPMorgan
2. Request for Proposal for Pricing Agent Services

**Request for Proposals**  
**for Pricing Agent and Financial Advisory Services in connection with the**  
**Refunding and Restructuring of the**  
**California Statewide Financing Authority**  
**2002 and 2006 Pooled Tobacco Securitization Program**

**April 9, 2015**

**Background**

In August 2002, the California Statewide Financing Authority (the “Authority”) sold \$196,545,000 of Tobacco Settlement Asset-Backed Bonds, Series 2002 to finance the purchase, from the Member Counties (which included the Counties of Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo and Yuba), of the settlement payments to be received by the Member Counties as a result of a Master Settlement Agreement entered into by participating cigarette manufacturers, 46 states and six jurisdictions in the settlement of certain smoking-related litigation. In April 2006, the Authority issued \$61,750,538.25 in subordinate Tobacco Settlement Asset-Backed Bonds, Series 2006 to finance the purchase of residual payments remaining after the 2002 bonds are repaid for a certain sub-sect of the Member Counties.

The California Statewide Communities Development Authority (“CSCDA”) is currently assisting the Authority and the Member Counties on a potential refinancing of the Series 2002 Bonds. The Series 2006 Bonds are fully subordinate in all respects to the Series 2002 Bonds and as such, the Series 2006 Indenture contained provisions limiting the issuance of additional bonds on a parity with the Series 2002 Bonds. As a result, a refinancing of the Series 2002 Bonds will require the consent of a majority in interest of the Series 2006 Bondholders along with a negotiated purchase of all or a portion of the Series 2006 Bonds.

CSFA appointed the team of Citigroup as Senior Manager, with RBC and JPMorgan as Co-Managers, at its meeting of April 9, 2015 to structure the refunding. Orrick, Herrington & Sutcliffe will serve as Transaction Counsel.

**Services Requested**

CSCDA is seeking proposals from firms registered as Independent Registered Municipal Advisors as defined by the SEC and the Municipal Securities Rulemaking Board for Pricing Agent Services relating to negotiated purchase of the Series 2006 Bonds in relation to the potential refunding of the Series 2002 Bonds. Working with the CSCDA’s staff and senior manager, the Pricing Agent and Financial Advisor will be expected to evaluate the appropriate purchase price for all or a portion of the Series 2006 Bonds. In addition to providing pricing agent services the firm will be asked to review documentation in connection with the refunding/restructuring and may also be asked to reach out to the eleven California counties in connection with obtaining their approval of the refunding/restructuring.

The following questions should be answered as concisely as possible.

1. General description of the experience and qualifications of the firm with regard to the following topics:
  - a. California county financial advisory work
  - b. Experience with tobacco securitization bonds, tobacco refundings and restructurings
  - c. Experience with pooled financing programs
  - d. Experience serving as pricing agent
  - e. Identify internal municipal market data resources and capabilities with regard to serving as pricing agent
2. Provide the names of staff members who will be associated with this program and a brief overview of experience and education for each staff person. Please specify the primary contact and delineate other relevant responsibilities for each individual.
3. Please provide information about the firm, its resources and the availability of the firm to quickly mobilize to provide services upon award.
4. Please describe up to three transactions that your firm has served as pricing agent. If available, please highlight those financings that featured the negotiated purchase of outstanding securities and/or related to tobacco securitizations.
5. Describe your firm's strategy for executing a negotiated purchase at the lowest possible cost to the Member Counties. Describe any challenges the Member Counties can expect to encounter during the negotiated purchase process and your suggested strategy to address those challenges.
6. Please provide your proposed pricing for these services.

Responses to this RFP will be accepted electronically no later than **5:00 p.m. on Thursday, April 30, 2015** to:

**Cathy Bando, Executive Director**  
**California Statewide Communities Development Authority**  
**Email: [cbando@cscda.org](mailto:cbando@cscda.org)**

Questions regarding the RFP can be directed to Cathy Bando, CSCDA Executive Director to [cbando@cscda.org](mailto:cbando@cscda.org) or to 213-700-4137. Questions regarding the structure of the refunding can be directed to Darren Hodge of Citigroup at [darren.hodge@citi.com](mailto:darren.hodge@citi.com) or 415-951-1637, or Shai Markowicz at [shai.markowicz@citi.com](mailto:shai.markowicz@citi.com) or 212-723-5135. Questions regarding the legal aspects of the refunding can be directed to Jenna Megan who is primary counsel from Orrick at [vcnagan@orrick.com](mailto:vcnagan@orrick.com) or 916- 329-7980.

**CALIFORNIA STATEWIDE FINANCING AUTHORITY**

**RESOLUTION NO. 15-1**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE FINANCING AUTHORITY AUTHORIZING THE ENGAGEMENT OF CITIGROUP GLOBAL MARKETS INC., RBC CAPITAL MARKETS AND JPMORGAN SECURITIES INC. FOR (I) A REFUNDING OF ALL OR A PORTION OF THE AUTHORITY'S TOBACCO SETTLEMENT ASSET-BACKED BONDS, SERIES 2002A AND SERIES 2002B (POOLED TOBACCO SECURITIZATION PROGRAM) AND/OR THE AUTHORITY'S TOBACCO SETTLEMENT ASSET-BACKED BONDS, SERIES 2006A, SERIES 2006B, SERIES 2006C AND SERIES 2006D (POOLED TOBACCO SECURITIZATION PROGRAM) (THE "SERIES 2006 BONDS") AND (II) A NEGOTIATED PURCHASE OF ALL OR A PORTION OF THE SERIES 2006 BONDS, RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the California Statewide Financing Authority (the "Authority") is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Joint Exercise of Powers Agreement, dated as of June 1, 2002, as the same may be amended (the "Agreement"), to, among other things, (i) issue revenue bonds to finance public capital improvements, working capital, liability or other insurance needs, (ii) issue bonds for any purpose for which the Authority could have executed and delivered certificates of participation in a lease or installment sale agreement with a public or private entity and to enter into a loan agreement with the public or private entity, and (iii) sell such bonds at public or negotiated sale;

**WHEREAS**, each California county that is a party to the Agreement (each a "Member") is entitled to receive certain payments (collectively a "Payment Stream") coming to the State of California (the "State") pursuant to a Master Settlement Agreement entered into on November 23, 1998, among the attorneys general of 46 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands and the Original Participating Manufacturers (as defined therein), and any amendment thereof or supplement thereto, all pursuant to that certain Memorandum of Understanding dated August 5, 1998 (the "MOU") among the State and certain California cities and counties, as supplemented by an Agreement Regarding Interpretation of Memorandum of Understanding among the State and the California cities and counties that executed said agreement;

**WHEREAS**, each Member previously determined to realize a present cash value rather than collecting such Payment Streams over time and to directly or indirectly through one or more intermediaries, sell or otherwise dispose of or borrow against such Payment Streams in order to obtain money to fund programs deemed necessary to meet the social needs of the population of such Member, all as provided by law;

**WHEREAS**, in order to assist its Members (which included the Counties of Colusa, Imperial, Kings, Madera, Modoc, San Benito, Solano, Tehama, Tuolumne, Yolo and Yuba) in selling such Payment Streams, the Authority authorized the creation of the TSR Multi-County Special Purpose Trust, a Delaware statutory trust (the “2002 Trust”) pursuant to a Declaration and Agreement of Trust (the “2002 Trust Agreement”), dated as of July 1, 2002, among the parties thereto, and the Authority authorized the issuance and sale of revenue bonds to assist in the financing of the purchase price of the Payment Streams to be purchased by the 2002 Trust from each Member (the “County Tobacco Assets”);

**WHEREAS**, on August 1, 2002, the 2002 Trust purchased from each Member all of the County Tobacco Assets to which each such Member was entitled, with the proceeds of the Authority’s Tobacco Settlement Asset-Backed Bonds, Series 2002A and Series 2002B (Pooled Tobacco Securitization Program) (the “Series 2002 Bonds”) issued by the Authority pursuant to a Trust Indenture dated as of July 1, 2002 (the “Series 2002 Indenture”), which Series 2002 Bond proceeds were loaned by the Authority to the 2002 Trust;

**WHEREAS**, the County Tobacco Assets were pledged by the 2002 Trust to the Authority for repayment of the loan made to the 2002 Trust by the Authority until such loan is no longer outstanding, whereupon the County Tobacco Assets will revert to the 2002 Trust;

**WHEREAS**, in 2006, certain of the Members, which included the Counties of Imperial, Kings, Madera, San Benito, Solano, Tehama, Tuolumne, Yolo and Yuba (the “Participants”), determined to sell or otherwise dispose of their respective beneficial interest in the 2002 Trust (the “County Trust Assets”) to obtain money to fund public capital improvements and programs deemed necessary to meet the social needs of the population of such Participant, all as provided by law;

**WHEREAS**, the California Multi-County Securitization Trust, a Delaware statutory trust (the “Borrower”) was created on March 24, 2006, pursuant to a Trust Agreement dated as of March 23, 2006 (the “Initial Trust Agreement”), between the Authority, as grantor, and Wells Fargo Delaware Trust Company, as Delaware trustee (the “Delaware Trustee”);

**WHEREAS**, in order to assist the Participants in selling such County Trust Assets, on April 19, 2006, the Authority amended and restated the Initial Trust Agreement by the Declaration and Agreement of Trust entered into among the Authority, Wells Fargo Bank, National Association, as Bank Trustee, the Delaware Trustee, and each of the individuals from time to time signatories thereto (the “Trust Agreement”), and the Borrower purchased from each Participant all of the County Trust Assets to which each such Participant was entitled, with the proceeds of the Authority’s Tobacco Settlement Asset-Backed Bonds (Pooled Tobacco Securitization Program) Series 2006A, Series 2006B, Series 2006C and Series 2006D (the “Series 2006 Bonds”) issued by the Authority pursuant to a Trust Indenture dated as of April 1, 2006 (the “Series 2006 Indenture”), which Series 2006 Bond proceeds were loaned by the Authority to the Borrower; and

**WHEREAS**, the County Trust Assets were pledged by the Borrower to the Authority for repayment of the loan made to the Borrower by the Authority until such loan is no longer outstanding, whereupon the County Trust Assets will revert to the Borrower;

**WHEREAS**, the Series 2006 Bonds are fully subordinate in all respects to the Series 2002 Bonds and as such, the Series 2006 Indenture contained provisions limiting the issuance of additional bonds on a parity with the Series 2002 Bonds; and

WHEREAS, Citigroup Global Markets Inc., as representative of the underwriters of the Series 2006 Bonds (“Citigroup”), has informed the Authority that a refunding of the Series 2002 Bonds through the issuance of additional bonds secured on a parity with the Series 2002 Bonds may be feasible with the consent of a majority in interest of the Series 2006 Bonds; and

WHEREAS, the Authority desires by this resolution to engage Citigroup as senior managing underwriter and RBC Capital Markets (“RBC”) and JPMorgan Securities Inc. (“JPMorgan”) as co-managers for a potential refunding of all or a portion of the Series 2002 Bonds and/or the Series 2006 Bonds and for the negotiated purchase of all or a portion of the Series 2006 Bonds as more fully described herein; and

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

Section 1. The recitals set forth above are true and correct.

Section 2. Citigroup is hereby engaged as senior managing underwriter and RBC and JPMorgan is hereby engaged as co-managers by the Authority to undertake a potential refunding of all or a portion of the Series 2002 Bonds and/or the Series 2006 Bonds, including communicating with the Members relating to any actions required by them in connection with such refunding. This refunding may include a new money component representing an upfront payment to the Members associated with the refunding. In this role, Citigroup, RBC and JPMorgan are also authorized by the Authority to participate in communications with the holders of any Series 2006 Bonds related to a negotiated purchase of such Series 2006 Bonds as part of the refunding.

Section 3. All actions heretofore taken by the officers and agents of the Authority with respect to the potential refunding of all or a portion of the Series 2002 Bonds and/or the Series 2006 Bonds and negotiated purchase of all or a portion of the Series 2006 Bonds are hereby approved, ratified and confirmed, and any Authorized Officer of the Authority, 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 contracts with bond counsel, disclosure counsel, post-bond issuance administrators, investment advisors, accountants and other lawyers, consultants and experts, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes hereof.

Section 4. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the Board of Directors of the California Statewide Financing Authority this April 9, 2015.

I, the undersigned, the duly appointed and qualified Secretary of the California Statewide Financing Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on March 9, 2015.

By \_\_\_\_\_  
Director,  
California Statewide Financing Authority