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## **PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CMFA, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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## **2021-22 NON-PROFIT MEMBERSHIP SUMMARY AND RECOMMENDATIONS**

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Action: Approve CMFA's Membership with Various Non-Profits

Purpose: Approve CMFA's Membership with Various Non-Profits

Meeting: June 25, 2021

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Background:

Approve CMFA's membership with the following Non-profits; California Affordable Housing Development Association, Asian Americans in Public Finance, California City Management Foundation, California Contract Cities Association, California Housing Consortium, California Council for Affordable Housing, California Society of Municipal Finance Officers, Council of Development Finance Agencies, Government Finance Officers Association, Healthcare Financial Management Association, Housing California, Kennedy Commission, National Housing & Rehabilitation Association, Non-Profit Housing Association of Northern California, PACENation, Southern California Association of Non-Profit Housing and San Diego Housing Federation.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve membership in the previously listed nonprofit organizations located throughout California.



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## PACIFIC PALACIO COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS

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Applicant: Pacific Communities Builder, LLC

Action: Consent Approval

Amount: \$3,500,000

Purpose: Approve Waiver of 2<sup>nd</sup> Reading and Adoption of Ordinance Levying Special Taxes within CMFA Community Facilities District No. 2021-8 (City of Lancaster—Pacific Palacio) (Ordinance 21-07)

Activity: BOLD/ Community Facilities District

Meeting: June 25, 2021

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### Background and Resolutions:

The CMFA’s BOLD Program (“BOLD”) utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the “Act”) to raise revenues for the infrastructure needs of local agencies in California. The City of Lancaster (the “City”) is a member of the CMFA and a participant in BOLD. Pacific Communities Builder, LLC (the “Developer”) previously submitted an application to the CMFA to use BOLD in relation to the Developer’s proposed development of certain property located in the City.

On April 30, 2021, the CMFA adopted a resolution stating its intention to form a proposed community facilities district (the “Resolution of Intention to Form CFD”) to be called California Municipal Finance Authority Community Facilities District No. 2021-8 (City of Lancaster – Pacific Palacio) (the “CFD”), and a resolution stating its intention to incur bonded indebtedness for such CFD (the “Resolution of Intention to Incur Bonded Indebtedness”).

On June 4, 2021, the CMFA held a public hearing on the formation of the CFD and the incurrence of bonded indebtedness for the CFD and held the special election on the formation of the CFD. The CMFA then adopted the following resolutions to facilitate the formation of California Municipal Finance Authority Community Facilities District No. 2021-8:

- Resolution of the Board of Directors of the California Municipal Finance Authority Forming California Municipal Finance Authority Community Facilities District No. 2021-8 (City of Lancaster – Pacific Palacio) (the “Resolution of Formation”).
- Resolution of the Board of Directors of the California Municipal Finance Authority Determining Necessity to Incur Bonded Indebtedness and Other Debt in and for California Municipal Finance Authority Community Facilities District No. 2021-8 (City of Lancaster – Pacific Palacio) (the “Resolution Determining Necessity”).
- Resolution of the Board of Directors of the California Municipal Finance Authority Calling Special Election in and for California Municipal Finance Authority Community Facilities District No. 2021-8 (City of Lancaster – Pacific Palacio) (the “Resolution Calling Election”).
- Resolution of the Board of Directors of the California Municipal Finance Authority Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien in and for Each Improvement Area in California Municipal Finance Authority Community Facilities District No. 2021-8 (City of Lancaster – Pacific Palacio) (the “Resolution Declaring Election Results”).

Ordinance:

The final legislative act for the formation of California Municipal Finance Authority Community Facilities District No. 2021-8 at the June 4, 2021 CMFA meeting of the Board of Directors was the introduction of the ordinance levying special taxes on the land in the CFD. The Board of Directors of the CMFA is now being asked to approve this Ordinance.

The Ordinance of the Board of Directors Levying Special Taxes on the land in the CFD will support the bonds and the services by this ordinance. The special tax lien puts the rate and method of apportionment for each Improvement Area on record for all parcels within the applicable Improvement Area. The levy conforms to the special tax formula approved by the Board in the Resolution of Formation and provides for the taxes to be collected each year on the general tax rolls of the County.

The Project:

Pacific Communities is developing 19.5 acres of property in City of Lancaster, on which 56 single-family homes are to be built and sold by the developer. Each lot within the Pacific Palacio development will be at least 10,000 square feet, with home sizes ranging in size from 2,413 square feet to 2,782 square feet, and with prices ranging from \$582,000 to \$664,000. The developer is currently undergoing land development, with grading to begin in June 2021. Models are expected to begin in September 2021, with sales to commence in the first quarter of 2022.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$3,500,000 on behalf of the CFD and all improvement areas therein.

Future Action:

Bonds payable from the special taxes are expected to be issued in 2022, subject to further resolution and approval. This project will be pooled with other projects as a pooled financing.

Authorized Facilities:

Authorized facilities include any facilities authorized by the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act) that are financed in whole or in part by development impact fees, whether City of Lancaster (City) or other local agency fees levied in connection with development of the property. The authorized facilities include, but are not limited to, facilities authorized by the Mello-Roos Act to be funded by fees imposed by the following local agencies:

- City of Lancaster
- Quartz Hill Water District
- Antelope-Valley Eastern Kern Water District
- Los Angeles County Sanitation District No. 14

Authorized facilities also include Administrative and Incidental Expenses.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Ordinance Levying Special Taxes within the CMFA Community Facilities District No. 2021-8 (City of Lancaster – Pacific Palacio).



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## **PROPERTY ASSESSED CLEAN ENERGY (“PACE”) SUMMARY AND RECOMMENDATIONS**

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Action	Approve Resolutions and Related Items for the Collection of PACE Property Tax Assessments by Counties
Purpose:	Property Assessed Clean Energy (“PACE”)
Activity:	PACE Financing and Refinancing of Energy Efficiency, Water Efficiency, Renewable Energy Generation and Seismic Improvements
Meeting:	June 25, 2021

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### Background:

Property Assessed Clean Energy (“PACE”) programs help local economies and the environment by providing financing for energy and water efficient improvements and renewable energy systems. Communities with PACE programs have increased construction activity, created jobs, lowered utility bills, and reduced greenhouse gas emissions. Property owners repay the financing through their property tax bill over the useful life of the installed products.

### Discussion:

PACE property tax assessments are added to the property owner’s tax bills for collection by the county where the property is located. The below listed counties require annual authorization by the Board of the taxing district to place the assessments on the tax roll. The CMFA Board is being asked to approve the following items for the respective counties.

1. County of Solano            Resolution
2. County of Riverside       Resolution

The above listed items have been reviewed by Jones Hall.

### Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve the above listed county resolutions and related items.



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## **REVOLVING CREDIT FACILITY FOR THE PRESERVATION OF PRIVATE ACTIVITY BOND VOLUME CAP SUMMARY AND RECOMMENDATIONS**

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<b>Action:</b>	Approval of Resolution
<b>Purpose:</b>	Enhance the CMFA Multifamily Housing Bond Volume Recycling Program
<b>Activity:</b>	Preservation and Recycling of Private Activity Bond Volume Cap
<b>Meeting:</b>	June 25, 2021

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### Background:

In recent years, California has used 85% or more of its \$4.1 billion of annual private activity bond volume for tax-exempt multifamily rental housing bonds and loans to produce thousands of units of desperately needed affordable apartment units each year. In the last two years, the demand for private activity bond volume for this purpose has grown to be more than twice the State's annual volume allocation, creating a severe shortage of this low rate debt financing for these projects.

The CMFA is the largest issuer of such bonds in California in recent years and in the current year. Since its formation in 2004 the CMFA has served as the issuer of tax-exempt multifamily housing bonds in over 450 issues. 122 tax-exempt private activity bond applications were filed with the California Debt Limit Allocation Committee ("CDLAC"), the State bond volume allocator, in early February of this year. Of the 122 volume applications aggregating \$3,256,555,428, the CMFA accounts for 67 or 55% of these. All of the other issuers in the state accounted for less than half.

The 2008 Housing and Economic Recovery Act ("HERA") added Section 146(i)(6) to the Internal Revenue Code which authorizes the reuse or "recycling" of private activity bond volume cap for use to finance new affordable multifamily rental housing projects under certain conditions. Such "recycled" bond volume does not entitle the new project to which it is allocated to qualify for 4% low income housing tax credits, but it produces a much lower borrowing rate on the debt side of the new project financing, which can be a critical factor in the feasibility of these financings.

The CMFA is working with RBC Capital Markets, LLC ("RBCCM" or the "Bank") to establish its Tax-Exempt Multifamily Housing Bond Recycling Program.

### How the CMFA's Bond Volume Recycling Program Will Work:

The CMFA multifamily bond volume recycling program involves two steps. The CMFA is asking the Bank to establish a warehouse credit line facility on which it will draw to fund the first step described below.

Step 1: The CMFA will enter into a "Funds Exchange Agreement (Prepayment)" with the trustee or fiscal agent or the holder of the prior tax-exempt debt which is being paid off or paid down. On the date of the pay down or pay off, the CMFA will draw the warehouse credit line in an amount equal to the amount of the pay down or pay off. This Funds Exchange Agreement will recite that the funds from the CMFA's warehouse credit line draw are deemed to have been advanced to the prior tax-exempt debt trustee or fiscal agent or to the holder of the prior tax-exempt debt and have been used by that transferee to retire pay down or pay off the prior tax-exempt debt. This Funds Exchange Agreement will further recite that the prior tax-exempt debt trustee or fiscal agent or tax-exempt debt holder shall be deemed to have simultaneously transferred to the CMFA the loan prepayment which has been made by the borrower on the prior tax-exempt issue in an amount equal to the CMFA's credit line draw to reimburse the CMFA for transferring the proceeds of its credit line draw to pay down or pay off the prior tax-exempt debt.

The funds drawn on the warehouse credit line will be deposited into a special segregated the CMFA account and pledged to the Bank to secure the CMFA's obligation to repay to the Bank the principal of the warehouse credit line draw. The pledged funds will be invested in liquid, high quality investments as agreed by the Bank and the CMFA and held under a Deposit Account Control Agreement or other arrangement acceptable to the Bank. Each warehouse credit line draw is will therefore be 100% each collateralized as to repayment of principal.

These arrangements create a "borrowing" by the CMFA which federal tax law requires during the period on which the bond volume is "carried" by the CMFA before being applied by the CMFA to provide financing for a new qualified multifamily residential rental housing project. Under current federal tax law, the volume so carried forward by the CMFA must be allocated to finance a new qualified residential rental housing project under Section 142(d) of the Code within six months of the pay-down or pay-off, or the tax-exempt bond volume will expire.<sup>1</sup>

Step 2: Prior to the issuance by the CMFA of the tax-exempt debt under Section 142(d) of the Code to provide funding for another qualified residential rental housing project, the CMFA will enter a new "Funds Exchange Agreement (New Loan)" with the trustee or fiscal agent on the new tax-exempt issue or, in the absence of the forgoing, the proposed purchaser of the new tax-exempt issue. This second Funds Exchange Agreement will recite that on the closing date of the new issue, the recycled bond volume carried by the CMFA will be transferred to the trustee, fiscal agent or other new tax-exempt debt purchaser against the simultaneous transfer by that party to the CMFA of a like amount of proceeds of the new tax-exempt issue, which the CMFA will use to retire that amount of its credit line borrowing.

At the time of reallocation, the CMFA will simply retire that portion of its credit line draw from the pledged funds in the segregated account.

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<sup>1</sup> Under current federal tax law, the volume carried forward must also be reallocated to the new qualified multifamily residential rental housing project no later than four years after the prior tax-exempt debt was issued. Moreover, the tax-exempt debt on the new qualified multifamily residential rental housing project to which the carried forward volume is reallocated must mature no later than 34 years after the original tax-exempt debt was issued.

Revolving Credit Agreement:

The Revolving Credit Agreement is the legal document that provides the terms and conditions of the Credit Facility to CMFA for use in its efforts to preserve and recycle Private Activity Bond Volume Cap. The Bank requires indemnification for offering the Credit Facility.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors authorize a private activity bond volume cap recycling program; authorizing certain amendments to the legal agreements relating to the authority's multifamily housing revenue bonds and notes in order to facilitate such recycling; authorizing funds exchange agreements and other related documents.



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## ALVES LANE APARTMENTS SUMMARY AND RECOMMENDATIONS

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Applicant: Meta Housing Corporation

Action: Initial Resolution

Amount: \$35,000,000

Purpose: Finance Affordable Multi-Family Rental Housing Facility  
Located in the Census Designate Place of Bay Point, Contra  
Costa County, California

Activity: Affordable Housing

Meeting: June 25, 2021

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Background:

The Meta team has been active in the financing, construction, and management of affordable housing since 1969, and has developed more than 8,729 units. Meta's projects actively engage their tenants in activities such as tutoring, wellness, and art. This approach has consistently won national recognition including the National Association of Home Builders' 50+ Housing Gold Achievement award, PCBC Gold Nugget Award and the SAGE Award. The National Endowment for the Arts has recognized Meta's Burbank Senior Artists Colony as one of the finest examples of the incorporation of services, education and activities with architecture.

Meta works closely with city and community leaders, a variety of local and state housing agencies, and community-based nonprofits that are often in the best position to determine which solutions will work best for a community. Community outreach plays a critical role in developing design and programming, and Meta works closely with local stakeholders to ensure early identification and addressing of key issues.

The Project:

The Alves Lane Apartments project is the proposed new construction of a 100-unit affordable multifamily apartment project. The property will consist of 1 four-story building on a 3.81-acre vacant land parcel in Bay Point, CA. The project will have 15 one-bedroom units, 15 two-bedroom units, 36 three-bedroom units, and 34 four-bedroom units. The units will be restricted to households earning 30%-70% of AMI. Alves Lane will include a courtyard with multiple areas for social gatherings, a play area, community garden boxes, picnic areas, a dedicated dog park, community room for recreation, computer lab, onsite laundry, and bike room. The financing of this project will result in the creation of affordable housing for 99 low-income households in the community of Bay Point for the next 55 years.

The County of Contra Costa:

The County of Contra Costa is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the County is expected to receive approximately \$14,000 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 29,025,000
Taxable Bond Proceeds:	\$ 11,900,000
Recycled Bonds:	\$ 5,000,000
LIH Tax Credit Equity:	\$ 4,488,122
Deferred Costs:	<u>\$ 5,038,923</u>
Total Sources:	\$ 55,452,045

Uses of Funds:

Land Acquisition:	\$ 3,200,000
New Construction:	\$ 32,089,646
Architectural & Engineering:	\$ 1,768,948
Legal & Professional:	\$ 292,000
Impact Fees & Permitting Fees:	\$ 3,711,714
Construction Interest & Fees:	\$ 1,113,777
Contingency & Reserves & Other Soft Costs*:	\$ 6,604,471
Developer Fee:	\$ 6,468,451
Costs of Issuance:	<u>\$ 203,038</u>
Total Uses:	\$ 55,452,045

Terms of Transaction:

Amount:	\$35,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	April 2022

Public Benefit:

A total of 99 households will be able to enjoy high quality, independent, affordable housing in the community of Bay Point for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%  
10% (10 Units) restricted to 30% or less of area median income households;  
23% (23 Units) restricted to 50% or less of area median income households;  
13% (13 Units) restricted to 60% or less of area median income households, and  
54% (53 Units) restricted to 70% or less of area median income households.  
Unit Mix: 1-, 2-, 3- & 4-bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender: TBD  
Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
Issuer Counsel: Jones Hall, APLC  
Lender Counsel: TBD  
Borrower Counsel: Bocarsly Emden Cowan Esmail & Arndt LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$35,000,000 for the Alves Lane Apartments affordable multi-family housing facility located in the Census Designated Place of Bay Point, Contra Costa County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

\*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



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## ROCKETSHIP PUBLIC SCHOOLS SUMMARY AND RECOMMENDATIONS

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Applicant:	Launchpad Development Company
Action:	Final Resolution
Amount:	\$21,000,000
Purpose:	Refinance the Cost of the Acquisition, Construction, Improvement, Renovation and Equipping of Educational Facilities Located in the City of San Jose, County of Santa Clara, California
Activity:	Charter School
Meeting:	June 25, 2021

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Background:

Founded in 2006, Rocketship Education, doing business as Rocketship Public Schools, is a national charter management organization (“CMO”) that operates a network of charter elementary (PreK-5) schools serving disadvantaged populations throughout the country. Rocketship and its affiliates currently hold charters and operate twenty elementary schools serving approximately 9,900 students in San Jose and Redwood City, California, Washington, DC (three schools), Milwaukee, Wisconsin (two schools) and Nashville, Tennessee (two schools). Rocketship annually considers expanding its school network into new regions nationwide.

In 2007, Rocketship Mateo Sheedy Elementary School was the first school opened by Rocketship and became the highest ranked low-income elementary school in San Jose and the 7th ranked school in California. This caused an enormous demand from parents in San Jose and other parts of Santa Clara County for Rocketship to open additional schools. Based on the success of Rocketship Mateo Sheedy Elementary School, the founders decided to expand Rocketship to serve other schools in the most troubled neighborhoods in San Jose.

Rocketship operates as a California nonprofit public benefit corporation and is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) under the Internal Revenue Code of 1986, as amended (the “Code”). Rocketship is the holder of all school charters and the recipient of all state and federal revenue related to the operation of the charter schools operating in the Bay Area.

The Project:

Proceeds from the bonds will be used to (i) refinance California Statewide Communities Development Authority Charter School Revenue Bonds (Rocketship Four - Mosaic Elementary School), Series 2011A, and California Municipal Finance Authority Charter School Revenue Bonds (Rocketship Seven - Alma Academy Elementary School), Series 2012A which were used to finance costs of the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities (as more fully described herein, the “Alma Facility” and the “Mosaic Facility” and, collectively, the “Facilities”); and (ii) pay the costs of issuance of the Bonds.

The Alma Facility and the Mosaic facilities are being leased to Rocketship Public Schools. Rocketship will make payments of rent under the Alma Lease and the Mosaic Lease from revenues derived solely from Rocketship Alma Academy and Rocketship Mosaic Elementary, respectively, or any other charter school operated by Rocketship in a Facility. Both Rocketship Alma and Rocketship Mosaic are public charter schools operated by Rocketship.

The County of Santa Clara:

The County of Santa Clara is a member of the CMFA. Upon closing, the County is expected to receive approximately \$7,833 as part of the CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Loan:	\$ 16,866,124
Taxable Loan:	\$ 250,000
Series 2011 Reserve Fund:	\$ 941,775
Series 2012 Reserve Fund:	\$ <u>709,887</u>
Total Sources:	\$ 18,767,786

Uses of Funds:

Refunding of Existing Debt:	\$ 18,256,659
Costs of Issuance:	\$ <u>511,127</u>
Total Uses:	\$ 18,767,786

Terms of Transaction:

Amount:	\$21,000,000
Maturity:	15 years
Collateral:	Revenue Pledge
Bond Purchasers:	Public Offering
Rating:	Not Rated
Estimated Closing:	September 2021

Public Benefit:

Through application of its unique learning model, Rocketship enables financially disadvantaged students with limited English skills to achieve grade-level proficiency in the core subjects by 2nd grade and achieve above grade level by the time they leave the 5th grade. Rocketship students become self-motivated, competent lifelong learners, and develop a deep love of reading. Rocketship provides parents with a path for their children to take in order to have the best chance to pursue higher education goals and attend a four-year college or university. Rocketship encourages its alumni both to become leaders in their community and to return to their communities to help others achieve their goals.

Finance Team:

Lender / Underwriter:	Stifel, Nicolaus & Company, Inc.
Bond Counsel:	Stradling, Yocca, Carlson & Rauth PC
Issuer Counsel:	Jones Hall APLC
Underwriters Counsel:	Quarles & Brady LLP
Borrower Counsel:	DLA Piper
Trustee:	Wilmington Trust

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$21,000,000 for the Rocketship Public Schools project located in the City of San Jose, County of Santa Clara, California.

\*The information mandated by California Government Code Section 5852.1, including the true interest cost, finance charge, amount of proceeds received from the sale, and the total payment amount to final maturity is attached to this report.



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## THE RIVERS COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS

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Applicant: Richland Communities

Action: Approval

Amount: \$32,920,000

Purpose: Approve Resolutions Forming CMFA Community Facilities District No. 2021-6 (City of West Sacramento —The Rivers), Authorizing Incurrence of Bonded Indebtedness and Holding Special Landowner Election

Activity: BOLD/ Community Facilities District

Meeting: June 25, 2021

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### Background and Resolutions:

The CMFA’s BOLD Program (“BOLD”) utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the “Act”) to raise revenues for the infrastructure needs of local agencies in California. The City of West Sacramento (the “City”) is a member of the CMFA and a participant in BOLD. Richland Communities (the “Developer”) previously submitted an application to the CMFA to use BOLD in relation to the Developer’s proposed development of certain property located in the City. The CMFA and the City previously accepted such application, and on May 21, 2021, the Board of Directors of the CMFA took the initial steps toward formation of a community facilities district for the project under the Act. The resolutions being considered by the Board on June 25, 2021 will complete the formation of the community facilities district and authorize the levying of special taxes and incurrence of bonded indebtedness for the community facilities district.

As an initial step in using BOLD for the financing of public infrastructure to be owned by a local agency such as the City, the CMFA needs to form a community facilities district. On May 21, 2021, the CMFA adopted a resolution stating its intention to form a proposed community facilities district (the “Resolution of Intention to Form CFD”) to be called California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “CFD”), and a resolution stating its intention to incur bonded indebtedness for such CFD (the “Resolution of Intention to Incur Bonded Indebtedness”).

Under the Act, the process of completing the formation of the CFD requires a noticed public hearing, the adoption of a resolution forming the CFD, the holding of a landowner election, and the adoption of an ordinance levying the special taxes. To form the CFD, the Board of Directors of CMFA will first hold a public hearing on the formation of the CFD and the incurrence of bonded indebtedness for the CFD and consider any public comments received. After such public hearing, if there is no majority protest received, the Board of Directors of the CMFA can then proceed to adopt the resolution of formation for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Forming California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers).

Next, the Board of Directors of the CMFA can adopt a resolution authorizing the issuance of debt for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Determining Necessity to Incur Bonded Indebtedness and Other Debt in and for California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution Determining Necessity”).

After adoption of the Resolution Determining Necessity, the Board of Directors of the CMFA can proceed to adopt a resolution calling for a special landowner election of the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Calling Special Election in and for California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution Calling Election”). The election is allowed to be held as part of this meeting since timing waivers from 100% of the landowner voters have been received by CMFA. The Secretary will canvass the results of the landowner election. These ballots have already been received by the Secretary.

The Board of Directors of the CMFA can then proceed to adopt a resolution declaring the results of the landowner election for the CFD and directing filing of the Notice of the Special Tax Lien with the County Recorder for Yolo County. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien in California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution Declaring Election Results”). The special tax lien puts the rate and method of apportionment on record for all parcels within the applicable Community Facilities District.

The final legislative act is the introduction of an ordinance levying special taxes on the land in the CFD. Assuming its introduction on June 25, 2021, the ordinance can be finally adopted at a subsequent Board meeting.

#### The Project:

Richland Communities is developing the Rivers project, which is a 249-lot development within the City of West Sacramento. Improvement Area No. 1 includes 47 of these lots, 29 of which are finished lots and 18 are tentative mapped lots. The remaining 202 lots would be part of a separate boundary area identified as a Future Annexation Area.

Richland Communities intends to sell the 47 lots within the District to a homebuilder who will in turn build and sell homes to individual homeowners. Projected sales prices for the homes within the District are expected to range from the low \$800,000 range to over \$1.1 million.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$32,920,000 on behalf of the CFD and all improvement areas therein

Future Action:

The Ordinance Levying Special Taxes will need to be finally adopted at a future meeting of the Board of Directors. Bonds payable from the special taxes are expected to be issued in 2022, subject to further resolution and approval. This project will be pooled with other projects as a pooled financing.

Authorized Facilities:

Authorized facilities and costs that may be funded through the Community Facilities District (CFD) include the following public improvements, development impact fees funding public improvements, and formation and administrative expenses.

Development Impact Fees:

- City of West Sacramento Development Impact Fees:
  - Traffic Impact Fee
  - Police Impact Fee
  - Fire Impact Fee
  - Water Connection Fee
  - Sewer Connection Fee
  - Park Impact Fee
- Sacramento Area Sewer District Development Impact Fees
- Washington Unified School District Development Impact Fees

City Facilities:

- Water storage and pump station facilities supporting development in the CFD.

Authorized facilities also include Administrative and Incidental Expenses.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Formation, the Resolution Determining Necessity to Incur Bonded Indebtedness in an amount not to exceed \$32,920,000, the Resolution Calling Election, the Resolution Declaring Election Results, and introduce the Ordinance.



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## Current 2021 Board Positions

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### CMFA

Paula Connors-	Chairperson
Justin McCarthy-	Vice Chairperson and Assistant Treasurer
Deborah A. Moreno-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

### CFSC/CFPF

Deborah A. Moreno-	Chairperson and Assistant Treasurer
Paula Connors-	Vice Chairperson
Justin McCarthy-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

### Subcommittees:

Audit Subcommittee:	Deborah Moreno and Bob Adams
Finance Subcommittee:	Faye Watanabe and Deborah Moreno
Professional Services Subcommittee:	Paula Connors and Justin McCarthy

# California Municipal Finance Authority Budget

July 2021 through June 2022

	<b>TOTAL</b>				
	<b>Jul - Sep 21</b>	<b>Oct - Dec 21</b>	<b>Jan - Mar 22</b>	<b>Apr - Jun 22</b>	<b>Jul '21 - Jun 22</b>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Annual Fee Income	1,225,000	1,825,000	1,200,000	1,325,000	5,575,000
Application Fee Income	10,000	10,000	10,000	10,000	40,000
Issuance Fees	650,000	1,000,000	600,000	650,000	2,900,000
<b>Total Income</b>	<b>1,885,000</b>	<b>2,835,000</b>	<b>1,810,000</b>	<b>1,985,000</b>	<b>8,515,000</b>
<b>Expense</b>					
Bank Service Charges	2,500	2,500	2,500	2,500	10,000
Charitable Grants - Restricted	25,000	25,000	25,000	25,000	100,000
Charitable Grants -Unrestricted	580,799	935,083	556,116	636,074	2,708,072
Dues and Subscriptions	0	0	0	225	225
Insurance	27,500	27,500	27,500	27,500	110,000
JPA Member Distributions	216,450	333,000	199,800	216,450	965,700
Marketing	15,500	8,000	21,000	10,000	54,500
Outside Services	1,000	1,000	1,000	1,000	4,000
Professional Fees	1,004,126	1,490,792	964,959	1,054,126	4,514,003
Financial Advisor	963,167	1,449,833	924,000	1,013,167	4,350,167
Accounting	6,459	6,459	6,459	6,459	25,836
Executive Director	19,500	19,500	19,500	19,500	78,000
Government Relations	15,000	15,000	15,000	15,000	60,000
Travel & Entertainment	2,500	2,500	2,500	2,500	10,000
<b>Total Expense</b>	<b>1,875,375</b>	<b>2,825,375</b>	<b>1,800,375</b>	<b>1,975,375</b>	<b>8,476,500</b>
<b>Net Ordinary Income</b>	<b>9,625</b>	<b>9,625</b>	<b>9,625</b>	<b>9,625</b>	<b>38,500</b>
<b>Other Income/Expense</b>					
Interest Income	375	375	375	375	1,500
<b>Net Income</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>40,000</b>



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## PERFORMANCE REVIEWS

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Subject: Performance and/or Compensation Review of the CMFA  
Professional Service Providers

Meeting: June 25, 2021

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Background:

With respect to any engagement for professional services with the duration of at least one (1) year, the Board shall conduct a review on a periodic basis to assess and evaluate the performance of the service provider. Such review and assessment shall be conducted at least annually, but may be undertaken more frequently on an “as-needed” basis. The Board may also deliver any performance feedback on an “as-needed” basis. If permitted to terminate an engagement prior to its stated terms, such termination may be based upon the findings and determinations of the performance review.

As part of the periodic review and assessment of a service provider, the Board may evaluate the competitiveness of the fees and expenses charged for such services delivered. The Board may also review whether the fees are commensurate with the service and value provided to the CMFA and shall ensure that public funds are expended for measurable, competitively-priced goods and services for all contractors. With respect to any engagement for professional services with the duration of at least three (3) years, such evaluation shall occur at least once every three (3) years by the Board. Based upon the evaluations, the Board may take appropriate actions including the amending of certain terms of an engagement or early termination of such engagement for professional services.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors review the performance of AmeriNat Loan Services, Arthur J. Gallagher, CMFA Executive Director, Del Rio Advisors, DTA, Fortifi, Francisco & Associates, Inc., Goodwin Consulting, Greenpace Capital LLC, Integra Realty Resources, Joe A. Gonsalves & Son, Jones Hall APLC, Koppel & Gruber, Macias Gini & O’Connell (MGO), Piper Sandler, Samas Capital LLC, Sierra Management Group, LLC, Simplifile, LLC, Smith Manus, Twain Community Partners II LLC, US Bank Corporate Trust and Wilson Turner Kosmo.

### **AmeriNat Nationwide Loan Servicing (PACE Property Assessment Consultant)**

AmeriNat is an industry leader in servicing loan portfolios owned or originated by government, quasi-government, financial institutions, private investors, and non-profit entities nationwide. Founded in 1975, AmeriNat manages \$12 billion in loans and related deposits for nearly 300 city, county, state, and NGO clients (including more than 100 Habitat for Humanity affiliates).

With over 100 employees, AmeriNat has customized its technology platforms to meet the specific needs of its customers and their borrowers, ensuring that its technology is responsive to the loan types serviced. AmeriNat is a nationwide, licensed loan servicer and is approved by FHA/VA and Fannie Mae.

AmeriNat is an independent subsidiary of O'Brien-Staley Partners, a Minnesota-based, world-class investing firm that specializes in economic development loans and other story credits.

### **Arthur J. Gallagher & Co. (Insurance Broker)**

Arthur J. Gallagher & Co. and its subsidiaries provide insurance brokerage, consulting, and third-party claims settlement and administration services to entities around the world. Gallagher is the world's fourth largest insurance broker/risk manager based on revenues, and the largest property and casualty third-party claims administrator globally as of 2017. Its expertise across industries, as well as insurance and risk management solutions, is unsurprisingly vast, ranging from automotive and healthcare to energy and transportation, from management liability and property to cyber and fine arts. Gallagher also has offerings in benefits and HR consulting, captives and alternative risk transfer, and reinsurance, among others.

The company's client service capabilities span more than 150 countries, a huge expansion from the first family-run agency that was set up in Chicago in 1927 by Arthur Gallagher. Its retail brokerage operations boast 500-plus offices located primarily across North America, the United Kingdom, Australia, Bermuda, the Caribbean, and New Zealand. Its wholesale brokerage operations, meanwhile, count offices in over 65 locations in the United States, Australia, and Bermuda, alongside an approved Lloyd's of London broker.

### **Del Rio Advisors, LLC (BOLD MA Services for Placer County)**

Del Rio Advisors, LLC ("DRALLC, formerly MuniSoft) is an Independent Registered Municipal Advisor that works exclusively with municipal issuers. DRALLC was founded by Kenneth L. Dieker in 1991 under the name MuniSoft and incorporated as Del Rio Advisors, LLC in 2005.

DRALLC Principal, Kenneth L. Dieker, has been in the business for thirty-three years with twenty-nine years spent serving as a Municipal Advisor. Mr. Dieker got his start in municipal finance investment banking in 1987 with Rauscher Pierce Refsnes, Inc. (currently RBC Capital Markets). Mr. Dieker has a BA from the University of California, Berkeley, an MBA from Oregon State University, is a Series 50 Registered Representative and a Series 54 Registered Principal.

### **DTA (Formerly David Taussig and Associates) (PACE Property Assessment Consultant)**

DTA (formerly known as David Taussig and Associates) is a public finance consulting firm that earned its reputation as the industry leader in planning and implementing public finance and assessment engineering programs for infrastructure and public services. Their focus on efficiencies ensures that the right public financing programs are applied across the board to lower infrastructure and development costs, while building public improvements in a timely manner.

Their engineering experience enables DTA to utilize assessment engineering and benefit apportionment techniques to promote the fair allocation of infrastructure and development costs among benefiting property owners. DTA is a leader in PACE financing. They serve as the Assessment Engineer and Property Tax Administrator for Property Assessed Clean Energy (“PACE”) programs, collectively representing over 90% of California’s PACE industry.

### **Edward Becker (CMFA Executive Director)**

Dr. Edward Becker is the Executive Director for the CMFA. Previously, Dr. Becker was the Chief Financial Officer for Concept 7, Inc., a not-for-profit organization which has been providing services for children and their families in Southern California for over 30 years. This position supervised all accounting, human resources, management information systems, and business-related functions.

Dr. Becker has worked in the not-for-profit social services area for over sixteen years providing a business perspective which enables the organization to provide services more efficiently with minimum administrative overhead expense. His prior experience includes oversight of operations that provided services not only to California but Texas, Nevada, Utah, Colorado, Minnesota, Arizona, and South Carolina.

Dr. Becker served in the US Army for twenty years. His duty assignments were worldwide, and his last assignment was as a Personnel Officer at the United States Military, West Point, New York.

He holds a BS in business administration from Columbia College, an MBA from National University, and a DBA from California Pacific University. He is active in community and charitable organizations.

### **FortiFi Financial, Inc. (Formerly Energy Efficient Equity “E3”) (PACE Program Administrator)**

Specialty financing company Energy Efficient Equity, Inc. (E3) has changed its name to FortiFi Financial, Inc. (FortiFi). FortiFi, formerly Energy Efficient Equity, has experienced significant growth into new territories in both California and Florida. FortiFi’s primary product offering is PACE (Property Assessed Clean Energy) financing that helps homeowners and businesses make their properties more energy efficient and resilient.

FortiFi recently joined the California Statewide Communities Development Authority Open PACE Program (CSCDA), significantly expanding the number of jurisdictions in California where it can provide financing. The CSCDA is a joint powers authority of over 334 cities and counties in California that provides tools for financing community-based public benefit projects, including PACE. Through the CSCDA, over 75% of California homeowners now have access to FortiFi financing. FortiFi also launched in Florida in mid-2019, operating under the authority of the Florida PACE Funding Agency (FPFA). FortiFi contractors can now serve more than 60% of Florida homeowners.

### **Francisco & Associates, Inc. (BOLD Program Special Tax Consultant)**

The principal staff members of Francisco & Associates, Inc. have over fifty years of public financing and municipal engineering experience. The goals for their company are quite simple; listen to their clients, provide quality service with a personal touch and be extremely responsive. Because these goals have always been instilled in their staff it has allowed them to say that none of their existing clients have ever strayed to one of their competitors. This unprecedented record is the result of their quality work, attention to detail and listening to their clients’ needs.

## **Goodwin Consulting Group (BOLD Program Special Tax Consultant)**

Goodwin Consulting Group (GCG) has extensive experience analyzing the fiscal, financial, and economic impacts of land development, conversion, and transition. Instead of specializing solely in financial planning for new projects, GCG is also an active participant in the implementation and ongoing administration of financing programs. This difference is critical to ensuring that a project will be feasible from the early development stages through buildout. It is also a key reason why their public and private sector clients keep coming back to GCG for their public financing needs.

With over 100 years of combined experience in the industry, the principals of GCG have a proven track record you can trust. They stake their reputation on each and every project, and are proud of the long-term relationships they have established with our clients.

GCG is known to be fair, objective, and principled. Their project experience, strong relationships with both public and private sector clients, and expert facilitation skills encourage project stakeholders to reach consensus, which minimizes project timelines, reduces costs, and maximizes benefits to future homeowners and property owners.

## **GreenPACE Capital LLC (PACE Program Administrator)**

GreenPACE Capital is a financial firm that offers PPAs to residential and commercial customers, allowing them to access Property Assessed Clean Energy (PACE) loans to finance solar energy projects. The firm works with local contractors to install solar for customers who would otherwise be unable to pay the upfront costs of a solar installation, or who cannot take advantage of the tax benefits that come with solar ownership. Employees include financial engineers and modelers, data miners, sales professionals, and solar concierge customer service personnel who work with customers and installers.

GreenPACE relies on financial engineers, financial modelers, a sales team, an IT team, data scientists, and an operations team to orchestrate these transactions. The data scientists, who have strong backgrounds in math and the hard sciences, run calculations on potential markets that may benefit from their services.

While offered exclusively in California, GreenPACE is excited to expand its business model and its product to other states this year. Business expansion will require the company to multiply its current workforce of about 100, especially on the sales side, to penetrate those new markets. GreenPACE sees the biggest demand for its product coming from the tax-exempt small commercial sector, such as nonprofits, houses of worship, and other entities that are unable to take advantage of tax credits. This market alone has led GreenPACE to hire more workers who have deep familiarity with the regulations and requirements surrounding these types of institutions.

## **Integra Realty Resources (BOLD Program Special Tax Consultant)**

Integra was formed in July 1999 with 22 founding offices located throughout the United States. The entity evolved from the company, Valuation Network, Inc., that began in the mid-1980's as a network of small, highly respected appraisal offices whose owners forged friendships and professional alliances over the years. This group relied on each other for advancement in problem solving, benefited from assignment referrals, and shared comradery. By the early 1990's in response to business growth and strong market demand, plans were made to adopt a new business model for success. Integra chose a franchise platform that allowed local offices to thrive under the strong support and market-leading services provided by a corporate entity. The mission still stands today, "To provide comprehensive valuation and advisory services with national coverage through local expertise."

Integra quickly became the largest, most well-respected, independent appraisal company in North America as new offices were added on a very selective basis. The Integra business model has become so successful that it has been imitated by other appraisal firms. Integra continues to prosper and grow, expanding its coverage and specialties within North America and the Caribbean with more than 50 local offices.

### **Joe A. Gonsalves & Son (Government Relations)**

Joe A. Gonsalves & Son has over 50 years of legislative experience successfully representing clients before the California State Legislature and California State Departments. They are committed to their clients' interests and strive to help them move toward their goals and provide personal, professional representation in an honest, legal, and ethical manner.

### **Jones Hall, A Professional Law Corporation (BOLD & Issuer Counsel)**

Since 1978, Jones Hall has been helping cities, counties, school districts, housing authorities, special districts and other public agencies finance public infrastructure through a practice devoted exclusively to municipal bond law. Every year Jones Hall ranks among the top bond counsel firms in California.

With a specialized staff devoted to all aspects of bond financing, their clients enjoy the highest level of service and expertise from attorneys and staff.

### **Koppel & Gruber Public Finance (BOLD Program Special Tax Consultant)**

Koppel & Gruber Public Finance ("K&G Public Finance") specializes in financial consulting to public agencies. The founding partners of the firm, Scott Koppel and Lyn Gruber, each have over eighteen years of experience in municipal financial consulting. They are privately held, and their greatest concern is the satisfaction of their clients and constituents and not shareholders. It is their practice to respect the culture and practices of each agency client and act as an addition to your staff.

### **Macias Gini & O'Connell (MGO) (Auditor)**

One of the fastest growing CPA firms in the U.S., MGO combines deep industry expertise with proven accounting and advisory solutions to deliver tangible results. Their clients range from global aerospace and technology leaders to innovative start-ups and not-for-profit organizations – from the largest government entities in the country, to the biggest names in entertainment.

MGO is ranked as one of the top CPA firms in the nation by Accounting Today and Inside Public Accounting. And the firm was awarded the 'Best of Accounting' designation in Client Satisfaction by the independent research firm, Inavero.

### **Piper Sandler Companies (Formerly Piper Jaffray & Co.) (BOLD Program Underwriter)**

On January 6, 2020, Piper Jaffray Companies and Sandler O'Neill + Partners, L.P. announced the completion of their merger to become Piper Sandler Companies (NYSE: PIPR). The resulting company represents one of the broadest and most capable full-service investment banking platforms on Wall Street complemented by one of the largest securities distribution and trading franchises with market-leading research aligned to serve the middle-market.

The merger brings together Sandler O'Neill's leadership in providing advice and solutions to clients in the financial services industry with the growing Piper Jaffray investment banking platform. Jon Doyle, former senior managing principal at Sandler O'Neill, now leads Piper Sandler's financial services group. Jimmy Dunne, former senior managing principal at Sandler

O'Neill, has been named vice chairman of Piper Sandler and senior managing principal of Piper Sandler's financial services group.

Piper Sandler is a leading investment bank and institutional securities firm driven to help clients Realize the Power of Partnership®. Through a distinct combination of candid counsel, focused expertise, and empowered employees, we deliver insight and impact to each and every relationship. Our proven advisory teams combine deep product and sector expertise with ready access to global capital. Founded in 1895, the firm is headquartered in Minneapolis with offices across the United States and in London, Aberdeen, and Hong Kong.

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; and in Hong Kong through Piper Sandler Hong Kong Limited, authorized and regulated by the Securities and Futures Commission. Asset management products and services are offered through separate investment advisory affiliates.

### **Samas Capital LLC (PACE Program Administrator)**

Samas Capital is a program administrator and capital provider for energy improvement projects via the Property Assessed Clean Energy (PACE) platform. Samas Capital was founded with the goal of building an enduring alternative investment management and innovative specialty financial products firm, and delivers to the needs of their clients by focusing on their long-term interests.

Samas Capital provides PACE financing to commercial properties throughout California through San Francisco's GreenFinanceSF and CaliforniaFIRST, a statewide program that currently serves 14 counties.

### **Sierra Management Group LLC (Municipal Advisor)**

Sierra Management Group, LLC ("Sierra") is a full-service, registered municipal advisory firm ("RMA") with the Municipal Securities Rulemaking Board ("MSRB"), which is overseen by the Securities and Exchange Commission ("SEC"). Sierra provides bond consulting and administrative services throughout the state. The firm was established in 2004 and has since facilitated over \$22 billion in bond financing in over 300 cities, counties and special districts throughout the state. Since its inception, the firm has focused on assisting local governments, non-profit organizations and private enterprises with the issuance of taxable and tax-exempt financing aimed at improving the communities within the State of California.

### **Simplifile LLC (PACE E-Recording Consultants)**

Simplifile LLC provides e-recording solutions as part of the CMFA PACE program. The Company caters to title company, bank, attorney, lien filer, and other types of document submitters. From loan collaboration to e-recording and post-closing, Simplifile offers an array of services in one place to help users securely share, record, and track documents, data, and fees with ease. Simply put, they are an electronic liaison between lenders, settlement agents, and counties, helping to streamline real estate and mortgage transactions while making our customers' day-to-day work just a little bit easier.

### **Smith Manus (Treasurer's Surety Bond)**

Smith Manus is one of the largest surety bond agencies in the U.S. They have worked with businesses in many different industries to develop the best ways to meet their clients' surety bond needs for over 40 years. Headquartered in Louisville, Kentucky, Smith Manus has expanded tremendously across North America, becoming a premier provider of surety.

## **Twain Community Partners II LLC (PACE Program Administrator)**

Twain Financial Partners is an investment management firm located in St. Louis, Missouri with more than \$4 billion in assets under management within the public-private partnership sector. The firm works with a wide variety of investment types, specializing in tax credit, structured debt, and real estate transactions. Twain works closely with financial institutions, corporations, and high-net-worth individuals to structure and manage investments that offer both attractive economic return and social benefits.

Before Twain, Marc Hirshman, Matt Badler, and Keith Willy were key members of the Senior Leadership Team at U.S. Bancorp Community Development Corporation (USBCDC). All three were integral in obtaining more than \$10 billion in assets at USBCDC. Through their roles there, they recognized an opportunity for a smaller company to provide a full-service financial firm that specialized in the tax credit and community development industry.

## **US Bank Corporate Trust (BOLD Program Trustee)**

U.S. Bancorp (stylized as US Bancorp) is an American bank holding company based in Minneapolis, Minnesota, and incorporated in Delaware. It is the parent company of U.S. Bank National Association, and is on the list of largest banks in the United States. The company provides banking, investment, mortgage, trust, and payment services products to individuals, businesses, governmental entities, and other financial institutions. It has 3,106 branches and 4,842 ATMs, primarily in the Western and Midwestern United States. It is ranked 117th on the Fortune 500. The company also owns Elavon, a processor of credit card transactions for merchants and Elan Financial Services, a credit card issuer that issue credit card products to US Bank and other financial institutions.

## **Wilson Turner Kosmo LLP (CMFA Litigation Counsel)**

Wilson Turner Kosmo is the largest certified women-owned law firm in San Diego, and one of the largest in California. Founded in 1991, the firm represents the litigation and counseling needs of companies on a local, statewide, and national level.

Their attorneys have extensive experience as lead counsel in jury and bench trials in state and federal courts, as well as in arbitrations and mediations. They routinely provide representation on complex, class action and mass tort litigation. The firm is AV-rated in Martindale-Hubbell's Bar Register of Preeminent Lawyers and was recognized by Corporate Counsel magazine in 2018 as one of the "Go-To" law firms for Fortune 100 companies.

Their clients range from Fortune 50 companies to small local businesses in most industries including manufacturing, retail, restaurants and hospitality, health care, real estate, public entity, banking, transportation, oil and gas, technology, and pharmaceutical.



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## AUDIT FIRM ENGAGEMENT SUMMARY AND RECOMMENDATIONS

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Subject: Audit Firm Engagement

Meeting: June 25, 2021

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Discussion:

The CMFA is required to have an audit of the general purpose financial statements conducted each year by an independent audit firm. In 2018, the CMFA approved extending the audit engagement with Macias Gini & O’Connell (“MGO”) through 2021. All previous audits have been completed on time and within budget.

Listed below are the fees for the most recent audits as well as the MGO fee proposal for the final year of their current three-year engagement.

	<u>Proposed Fee</u>		
	<u>Prior</u> <u>2019</u>	<u>Prior</u> <u>2020</u>	<u>2021</u>
CMFA Audit	24,960	25,396	25,836

Recommendation:

Staff and the Audit Committee recommend the firm of Macias Gini & O’Connell be retained to conduct the 2021 CMFA, CFSC, CFPA and CMFA SFAI audits and tax return.



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## INFORMATIONAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS

Item: Administrative Issues; A., B., C., D., E., F., G., H., I.

Action: Each meeting, the board has the opportunity to discuss, without taking any formal actions on items;

- A. Executive Director Report
- B. Marketing Update
- C. Membership Update
- D. Transaction Update
- E. Legislative Update
- F. Internal Policies and Procedures
- G. Legal Update
- H. Audits Update
- I. PACE Update



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## **PROCEDURAL ITEMS FOR THE CFSC SUMMARY AND RECOMMENDATIONS**

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Items:                   A1, A2, A3

Action:                 Pursuant to the by-laws and procedures of CFSC, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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# California Foundation For Stronger Communities

## Budget Overview

June 2021 through July 2022

					TOTAL
Ordinary Income/Expense	Jul - Sep 21	Oct - Dec 21	Jan - Mar 22	Apr - Jun 22	Jul '21 - Jun 22
<b>Income</b>					
<b>Program Income</b>					
Restricted Income	25,000	25,000	25,000	25,000	100,000
Unrestricted Income	580,799	935,083	556,116	636,074	2,708,072
<b>Total Income</b>	<b>605,799</b>	<b>960,083</b>	<b>581,116</b>	<b>661,074</b>	<b>2,808,072</b>
<b>Expense</b>					
<b>Charitable Payments</b>					
Restricted Charity Payments	25,000	25,000	25,000	25,000	100,000
Unrestricted Charity Payments	580,799	935,083	556,116	636,074	2,708,072
<b>Total Charity Payments</b>	<b>605,799</b>	<b>960,083</b>	<b>581,116</b>	<b>661,074</b>	<b>2,808,072</b>
Office Supplies					0
Accounting Fees					0
<b>Total Expense</b>	<b>605,799</b>	<b>960,083</b>	<b>581,116</b>	<b>661,074</b>	<b>2,808,072</b>
<b>Net Ordinary Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Income/Expense</b>					
Interest Income	20	20	20	20	80
<b>Net Income</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>80</b>



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## AUDIT FIRM ENGAGEMENT SUMMARY AND RECOMMENDATIONS

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Subject:           Audit Firm Engagement

Meeting:           June 25, 2021

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Discussion:

The CFSC is required to have an audit of the general-purpose financial statements conducted each year by an independent audit firm. Since 2013, the CFSC has utilized Macias Gini & O’Connell (“MGO”) for audit and tax return services.

Listed below are the fees for the most recent audit as well as the MGO fee proposal for the final year of their current three-year engagement.

	<u>Proposed Fees</u>		
	Prior		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
CFSC Audit	9,280	9,442	9,608
CFSC Tax Return	<u>4,180</u>	<u>4,255</u>	<u>4,332</u>
Total:	13,460	13,697	13,940

Recommendation:

The Executive Director recommends the firm of Macias Gini & O’Connell be retained to conduct the FY2021 audits and tax return.



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## Current 2021 Board Positions

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### CMFA

Paula Connors-	Chairperson
Justin McCarthy-	Vice Chairperson and Assistant Treasurer
Deborah A. Moreno-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

### CFSC/CFPF

Deborah A. Moreno-	Chairperson and Assistant Treasurer
Paula Connors-	Vice Chairperson
Justin McCarthy-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

### Subcommittees:

Audit Subcommittee:	Deborah Moreno and Bob Adams
Finance Subcommittee:	Faye Watanabe and Deborah Moreno
Professional Services Subcommittee:	Paula Connors and Justin McCarthy



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## **PROCEDURAL ITEMS FOR THE CFPP SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CFPP, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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**California Foundation For Public Facilities**  
**Budget Overview**  
June 2021 through July 2022

					TOTAL
Ordinary Income/Expense	Jul - Sep 21	Oct - Dec 21	Jan - Mar 22	Apr - Jun 22	Jul '21 - Jun 22
<b>Income</b>					
<b>Program Income</b>					
Annual Fee Income	825	-	-	-	825
Expense Reimbursement	6,000	-	-	-	6,000
<b>Total Income</b>	<b>6,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,825</b>
<b>Expense</b>					
Annual Fee Expense	413	-	-	-	413
Accounting Fees	6,000	-	-	-	6,000
<b>Total Expense</b>	<b>6,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,413</b>
<b>Net Ordinary Income</b>	<b>413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>413</b>
<b>Other Income/Expense</b>					
Interest Income	-	-	-	-	-
<b>Net Income</b>	<b>413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>413</b>

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**CALIFORNIA FOUNDTION FOR PUBLIC FACILITIES  
AUDIT FIRM ENGAGEMENT  
SUMMARY AND RECOMMENDATIONS**

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Subject:           Audit Firm Engagement

Meeting:           June 25, 2021

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Discussion:

The CFPF is required to have an audit of the general-purpose financial statements conducted each year by an independent audit firm. Since 2019, the CFPF has utilized Macias Gini & O’Connell (“MGO”) for audit and tax return services.

Listed below are the fees for the most recent audits as well as the MGO fee proposal for the last two years of their current three-year engagement.

	<u>Proposed Fees</u>		
	Prior <u>2019</u>	Prior <u>2020</u>	<u>2021</u>
CFPF Audit	5,000	6,000	6,000

Recommendation:

The Executive Director recommends the firm of Macias Gini & O’Connell be retained to conduct the FY2021 audit.



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## Current 2021 Board Positions

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### CMFA

Paula Connors-	Chairperson
Justin McCarthy-	Vice Chairperson and Assistant Treasurer
Deborah A. Moreno-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

### CFSC/CFPF

Deborah A. Moreno-	Chairperson and Assistant Treasurer
Paula Connors-	Vice Chairperson
Justin McCarthy-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

### Subcommittees:

Audit Subcommittee:	Deborah Moreno and Bob Adams
Finance Subcommittee:	Faye Watanabe and Deborah Moreno
Professional Services Subcommittee:	Paula Connors and Justin McCarthy