CALIFORNIA GOVERNMENT CODE SECTION 54953(E)(3) SUMMARY AND RECOMMENDATIONS

Action:	Findings
Purpose:	Adopt Findings Per California Government Code Section 54953(e)(3) for the CMFA/CFSC/CFPF/SFA

Background:

Under the current provisions of California Government Code Section 54953(e)(3), if a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, meetings of the Board of Directors may continue to be held by teleconference without compliance with certain agenda, quorum and other requirements of California Government Code Section 54953(b)(3), but the Board must make the following findings not later than 30 days after teleconferencing for the first time after October 1, 2021, and every 30 days thereafter, by majority vote:

(A) The Board of Directors has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:
(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.
(ii) State or local officials continue to impose or recommend measures to promote social distancing.

For the purposes of these findings, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the findings stated above in this staff report.

BANK ACCOUNT RESOLUTION FOR RECYCLE BOND PROGRAM SUMMARY AND RECOMMENDATIONS

Action:	Resolution
Purpose:	Establishing a Bank Account for the CMFA Multifamily Housing Bond Volume Recycling Program
Activity:	Preservation and Recycling of Private Activity Bond Volume Cap
Meeting:	October 14, 2022

Background:

The CMFA and RBC Capital Markets, LLC ("RBCCM" or the "Bank") established a Tax-Exempt Multifamily Housing Bond Recycling Program in 2021. The current program requires a significant amount of administration to align the timing of the financing with the timing of the revolving credit facility draw and related investments of draw proceeds. RBC has proposed streamlining the process by utilizing bank account time deposits at the Royal Bank of Canada ("RBC") which will require a new account to be established.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a new bank account for the Preservation and Recycling of Private Activity Bond Volume Cap at RBC.

RESIDENCES ON CANOGA & TOPANGA APARTMENTS
SUMMARY AND RECOMMENDATIONS

Applicant:	Alliant Strategic Development
Action:	Final Resolution
Amount:	$150,000,000
Purpose:	Finance Affordable Rental Housing Facilities Located in the City of Los Angeles, Los Angeles County, California
Activity:	Affordable Housing
Meeting:	October 14, 2022

Background:

Alliant Strategic Development is led by an experienced team of multifamily real estate professionals. With an average of 25 years of real estate experience, Alliant's executives have collectively built a portfolio of over 1,000 affordable housing communities and have provided homes for over 400,000 families nationwide.

Alliant's focus is to develop safe, healthy, and affordable communities where residents and their families can thrive. This approach directly impacts affordable housing residents by providing quality and stable environments, strengthening the foundations of the communities they serve. Their experience in creative financing and capital structuring has helped in identifying and closing complicated and unique acquisition opportunities. With over 20 years of existing relationships, Alliant's partners include owners, institutional and family office investors; working together to develop successful and profitable projects.

Alliant has an engineering and design team that creates updated, sustainable designs that promote safe and healthy accommodations for all of their developments. They build high quality and environmentally friendly properties that integrate well within each local neighborhood and community.

Alliant also has an experienced asset management team ensuring their properties are operating at the highest achievable levels, with positive tenant satisfaction and retention. The asset management team knows market conditions to accurately create viable lease-up schedules resulting in communities that quickly reach stabilization.

The Project:

The Residences on Canoga Apartments project is the new construction of a 220-unit affordable multifamily housing facility located in Canoga Park (a neighborhood of Los Angeles), CA. The project will be a podium style, five-story building comprised of one-bedroom units. The project will be utilizing the Transit Oriented Communities ("TOC") incentives and will set-aside at least 20% of units at 50% of Area Median Income or less and the remaining units will be at 80% of Area Median Income or less. The unit amenities will include stainless steel kitchen appliances, energy efficient fixtures, central AC, bicycle storage, granite countertops, "in-unit" washer/dryer, and balconies. The project amenities will include a fitness center, resident lounge area, garage parking, additional storage space, and both property and unit secured-keyless access. A car-share program will be explored to benefit all residents, giving greater autonomy to tenants who choose not to own an automobile. This financing will create 220-units of affordable housing for households in the City of Los Angeles for the next 30 years.

The Topanga Canyon Apartments project is the new construction of a 149-unit affordable multifamily housing facility located in Canoga Park (a neighborhood of Los Angeles), CA. The project will be a podium style, five-story building. The project will be utilizing the Transit Oriented Communities ("TOC") incentives and will set-aside at least 20% of units at 50% of Area Median Income or less and the remaining units will be at 80% of Area Median Income or less. The unit amenities will include stainless steel kitchen appliances, energy efficient fixtures, central AC, bicycle storage, granite countertops, "in-unit" washer/dryer, and balconies. The Property amenities will include a fitness center, resident lounge area, garage parking, additional storage space, and both property and unit secured-keyless access. This financing will create 149-units of affordable housing for households in the City of Los Angeles for the next 30 years.

The City of Los Angeles:

The City of Los Angeles is a member of the CMFA and held a TEFRA hearing on July 27, 2022. Upon closing, the City is expected to receive approximately $34,166 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	
Recycled Bonds:	$ 135,000,000
B-Tranche Recycled Bonds:	$ 5,000,000
Developer Equity:	$ 6,000,000
Total Sources:	$ 146,000,000
Uses of Funds:	
Land Acquisition:	$ 25,000,000
New Construction:	$ 90,000,000
Architectural & Engineering:	$ 4,000,000
Legal & Professional:	$ 1,000,000
Impact and Permitting Fees:	$ 8,000,000
Developer Fee:	$ 7,000,000
Financing Fees & Interest:	$ 6,000,000
Other Soft Costs*:	$ 3,000,000
Costs of Issuance:	$ 2,000,000
Total Uses:	$ 146,000,000

Terms of Transaction:

Amount:	$150,000,000
Maturity:	30 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	October 2022

Public Benefit:

A total of 369 households will be able to enjoy high quality, independent, affordable housing in the City of Los Angeles for the next 30 years.

Residences on Canoga:
Percent of Restricted Rental Units in the Project: 20%
10% (22 Units) restricted to 20% or less of area median income households; and
10% (22 Units) restricted to 50% or less of area median income households.
Unit Mix: 1-bedroom units
Term of Restriction: 30 years

Topanga Apartments:
Percent of Restricted Rental Units in the Project: 20%
8% (12 Units) restricted to 20% or less of area median income households; and
12% (18 Units) restricted to 50% or less of area median income households.
Unit Mix: 2- & 3-bedroom units
Term of Restriction: 30 years

Finance Team:

Bond Purchaser/ Total Return Swap Provider:	Bank of America Merrill Lynch (BAML)
Bond Purchaser Counsel:	Kutak Rock LLP
Placement Agent:	RBC Capital Markets, LLC
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Placement Agent Counsel:	Norris George & Ostrow PLLC
Borrower Counsel:	Stoel Rives, LLP
Borrower Derivatives Counsel:	McDermott Will & Emery LLP
Borrower Swap Advisor:	Swap Financial

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of $150,000,000 for the Residence on Canoga & Topanga Apartments affordable housing facilities located in the City of Los Angeles, Los Angeles County, California.

*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.

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.

PALOMAR HEALTH
SUMMARY AND RECOMMENDATIONS

Applicant:	Palomar Health
Action:	Final Resolution
Amount:	$280,000,000
Purpose:	Finance/ Refinance Acute Care Hospital Facilities Located in the Cities of Escondido, Poway and San Diego, County of San Diego, California.
Activity:	Healthcare Services
Meeting:	October 14, 2022

Background:

Palomar Health (the "District" or "PH") is a local health care district formed by a vote of Palomar Health's electorate in 1948 and is a political subdivision in the State of California. Palomar Health was originally known as the Northern San Diego County Hospital District and, between 2001 and 2012, was known as Palomar Pomerado Health. Palomar Health is located inland in the northern portion of the County of San Diego (the "County" and the northern portion of the County, the "North County") and is the largest California local health care district in terms of geographical area, covering approximately 800 square miles. The 2015 population within Palomar Health's boundaries was estimated to be approximately 539,000. Included within those boundaries are all or a portion of the cities and communities of Escondido, Poway, Carmel Mountain, Julian, Pala, Palomar Mountain, Pauma Valley, Ramona, Rancho Bernardo, Rancho Peñasquitos, San Marcos, Santa Ysabel, Valley Center and Vista.

Palomar Health owns and operates two acute care hospital facilities, Palomar Medical Center Escondido ("PMCE"), which is a 288-licensed-bed acute care hospital located in Escondido that opened in August 2012, and Palomar Medical Center Pomerado ("Pomerado"), which is a 107-licensed-bed acute care hospital located in Poway that opened in 1977. Palomar Health also owns and operates: a 129-bed skilled nursing facility, Villa Pomerado, located on the Pomerado campus in Poway; a 36-bed sub-acute unit also operating out of Villa Pomerado; Palomar Health Rehabilitation Services, which provides acute rehabilitation, with 15 beds; Palomar Health Wound Care Center, Corporate Health services and a cardiac rehabilitation program, all located in San Marcos; and a comprehensive home health program based in Escondido. Additionally, Palomar Health operates the San Marcos Outpatient Behavioral Medicine Center and two Expresscare Clinics providing urgent care in Escondido and San Elijo Hills.

The Project:

The Borrower intends the proceeds to be used to finance (including reimburse itself for its prior payment of) certain costs of the acquisition, construction, expansion, improvement, renovation and equipping of certain health care facilities owned and operated by the District (the "New Project"). The Borrower also wishes to refund and prepay certain certificates of participation executed and delivered in 2006 (the "2006 Certificates") pursuant to the trust agreement, dated as of December 1, 2006, between U.S. Bank Trust Company, National Association, as successor trustee, and the North San Diego County Health Facilities Financing Authority (the "2006 Authority"), evidencing an undivided proportionate interest of the holders thereof in certain installment payments to be made by the Borrower pursuant to the installment sale agreement, dated as of December 1, 2006, between the Borrower and the 2006 Authority, the proceeds of which were used by the Borrower to finance and refinance certain costs of acquisition, construction, expansion, improvement, renovation, and equipping of certain health care facilities owned and operated by the Borrower (the "Prior Project").

Palomar Healthcare District:

Palomar Healthcare District is a member of the CMFA and will hold a TEFRA hearing on October 18, 2022 and approve the financing pursuant to a plan of finance.

Proposed Financing:

Sources of Funds:	
Tax-Exempt Loan:	$ 240,710,000
Premium:	$ 6,071,727
Debt Service Reserve Fund:	$ 12,743,000
Total Sources:	$ 259,524,727
Uses of Funds:	
Project Fund:	$ 100,000,000
Refunding Escrow Deposits:	$ 126,735,750
Capitalized Interest Fund:	$ 18,150,880
Other Miscellaneous:	$ 10,097
Cost of Issuance:	$ 14,628,000
Total Uses:	$ 259,524,727

Terms of Transaction:

Amount:	$280,000,000
Rating:	BBB-/BBB (Anticipated S&P / Fitch)
Maturity:	30 years
Collateral:	Pledge of Gross Revenues
Bond Purchasers:	Public Offering
Estimated Closing:	November 2022

Public Benefit:

As a public health district, highlights of Palomar Health's contributions include:

- Community-based health improvement
- Health education & training programs
- Unreimbursed medical care services

Palomar Health collaborates with other health systems, government agencies, and community groups to identify the greatest needs within the community. Most notably, Palomar Health is an active participant in the Hospital Association of San Diego and Imperial Counties Community Health Needs Assessment and convenes Community Action Councils across the District.

The financing will improve Palomar Health's capacity to provide life savings services to patients in San Diego County.

Finance Team:

Underwriter:	Citigroup Global Markets Inc.
Bond Counsel:	Orrick, Herrington & Sutcliffe
Issuer Counsel:	Jones Hall, APLC
Underwriter's Counsel:	Chapman & Cutler LLP
Financial Advisor:	Kaufman Hall
Trustee:	US Bank, N.A.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution authorizing the issuance of revenue bonds in an aggregate principal amount not to exceed $280,000,000 for the Palomar Health project located in the Cities of Escondido, Poway and San Diego, County of San Diego, 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.

THE RIVERS IMPROVEMENT AREA NO. 2
COMMUNITY FACILITIES DISTRICT
SUMMARY AND RECOMMENDATIONS

Amount: $9,050,000

Action: Approve Resolution Authorizing the Issuance of Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers Improvement Area No. 2), Special Tax Bonds, Series 2022, Related Issuance and Purchase of Special Tax Bonds for and on Behalf of CMFA Community Facilities District ("District" or "CFD"), Along With All Related Documents

Purpose: Issuing Bonds to finance infrastructure, including funding impact fees, within the Community Facilities District 2021-6 (City of West Sacramento – The Rivers Improvement Area No. 2).

Activity: BOLD/ Community Facilities District

Meeting: October 14, 2022

Background:

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 Developer within City of West Sacramento, as a member of the CMFA, has submitted an application to participate in the BOLD program, and the City has held the required public hearings and made the required findings under applicable law related to the issuance by the CMFA of revenue bonds under the Marks-Roos Local Bond Pooling Act of 1985. In addition, the CMFA has taken all actions necessary to form the District and is now looking to issue bonds on a stand-alone basis to fund the facilities within the District.

The CMFA will issue CMFA Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers Improvement Area No. 2) Special Tax Bonds, Series 2022 (the "Bonds'). The not to exceed amount of the underlying obligation shall not exceed $9,050,000.

The not to exceed par amount for the Revenue Bonds to be sold will be $9,050,000. Bonds will be issued as a single series of bonds.

The District:

Century Communities is developing 30.5 acres in CFD 2021-6 Improvement Area No. 2 into 202 single family homes. A final map was recorded on June 15, 2022. Site development is underway and is anticipated to be completed in October 2022, except for a required park and common area landscaping. The development will feature two product lines (referred to as "Parkside" and "Trailside") offering a total of six floor plans ranging in size from 1,910 to 2,833 square feet. The project has two lot categories with typical lot sizes of 5,000 and 2,660 square feet. Home prices range from $639,990 for the lowest cost units in the "Trailside Neighborhood" up to $779,990 in the "Parkside Neighborhood."

As of September 16, 2022 (the date of value of the Appraisal), building permits had been paid for 18 homes and construction of those was underway. Sales are expected to commence shortly, with the majority of the project being completed in 2023 and 2024.

An appraisal was completed by Integra Realty Resources which demonstrated a value of $36,230,000 as of the September 22, 2022, date of value, subject to the conditions and qualifications set forth in the Appraisal. Based on a not to exceed par amount of $9,050,000 of the 2022 Bonds, the bonds will have a value to lien of 4.00 to 1. We expect additional bonds will be issued in early to mid-2023 once additional development supports such additional bonds. The additional bonds will likely be a participant in a future pool. As additional bonds are issued, the value to lien ratio may be higher or lower, but will never be less than the required 4 to 1 value to lien ratio in the additional bonds test.

Financing Documents:

The Resolution approves the forms of Supplemental Indenture of Trust, Bond Purchase Agreement, Preliminary Official Statement, and Continuing Disclosure Certificate presented to the Board at the meeting, as well as related actions and documents. The principal documents being approved are summarized as follows:

- Indenture of Trust. The Indenture of Trust is the legal document pursuant to which the Community Facilities District No. 2021-6 (City of West Sacramento –The Rivers Improvement Area No. 2) Special Tax Bonds, Series 2022 ("2022 Bonds") are issued by CMFA. The 2022 Bonds and future parity bonds are payable from special taxes received from property within CFD 2021-6 (City of West Sacramento—The Rivers Improvement Area No. 2). US Bank National Association will serve as trustee under the Indenture, and Goodwin Consulting will serve as special tax administrator, responsible for ensuring the special tax levy for the District is placed on the County property tax roll each year so that debt service and administrative costs can be paid each year. The Indenture contains typical provisions related to the 2022 Bonds and the underlying special tax bonds, including as it relates to optional redemption and special mandatory redemption from special tax prepayments, and the establishment and administration of reserve accounts, project accounts and other accounts for the deposit of proceeds of the underlying special tax bonds.

Under the Indenture, a reserve fund will be established for the benefit of the holders of the 2022 Bonds. In the event of a delinquency in payment of special taxes by property owners within the District of CFD 2021-6, amounts in the reserve account established for the CFD can be used to cover the shortfall.

Under the Original and Supplemental Indenture, the CMFA covenants to bring a foreclosure action against delinquent property owners based on either an overall delinquency rate within the District (5%) or based on a threshold dollar amount of delinquencies for a particular owner ($7,000). The first step in the foreclosure process would be having the CFD administrator (Goodwin Consulting) send out a written demand letter to the applicable owner(s). Amounts levied each year within CFD 2021-6 for administrative costs, as well as amounts set-aside in the reserve account, would be available to the CMFA to pay for the costs associated with any potential foreclosure proceeding.

- Bond Purchase Agreement. The Bond Purchase Agreement is the legal document pursuant to which the 2022 Bonds are sold by the CMFA to Piper Sandler for further sale and distribution to ultimate purchasers. The BPA contains customary representations and warranties from the CMFA regarding the formation of CFD 2021-6 and the issuance of the 2022 Bonds. Forms of certificates of the Developer is also included.

- Preliminary Official Statement. The Preliminary Official Statement ("POS") is the document pursuant to which material information is disclosed to potential purchasers of the 2022 Bonds. Once final pricing information is available for the 2022 Bonds, the POS will be turned into the Official Statement and distributed to actual purchasers of the 2022 Bonds. Among other things, the POS contains information regarding the 2022 Bonds, the underlying special tax bonds, the Indenture, the CMFA, the trustee, the BOLD Program, and various potential risks associated with investing in the 2022 Bonds. Included in various appendices to the POS is additional detailed information regarding CFD 2021-6, the rate and method of apportionment, and an appraisal performed by Integra Realty Resources of the estimated market value of the land within the District.

- Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate is included as Appendix D-1 to the draft POS. The Continuing Disclosure Certificate is the document pursuant to which the CMFA agrees to provide certain information to investors in the 2022 Bonds, via postings to the MSRB's Electronic Municipal Market Access ("EMMA") website. On an annual basis, the CMFA will need to supply its audited financial statements and information concerning the CFD as enumerated therein, including total assessed value, delinquency information, prepayment information, changes to any of the rate and method of apportionments for the CFDs, and annual information required to be provided to the California Debt and Investment Advisory Commission (CDIAC) each year. In addition, in a timely manner, the CMFA will need to report on the occurrence of any listed event enumerated therein, including relating to delinquencies, draws on the reserve fund, and bankruptcy events. Goodwin Consulting will serve as dissemination agent for the 2022 Bonds, assisting the CMFA in meeting its requirements under the Continuing Disclosure Certificate.

Assuming the Board approves this financing, staff will work with the Bond finance team to determining the final Bond sizing, and the preliminary Official Statement will be finalized and posted electronically for investors to review. Assuming the market remains stable, Authority and

Piper Sandler, the bond underwriter, will hold a pre-pricing call as early as the week of October 24h, 2022 to review bond market conditions and the preliminary interest rates, after which, the Bonds will be sold. An authorized officer will then execute, on behalf of the Authority, a Bond Purchase Agreement with Piper Sandler, finalizing the bond interest rates and setting the delivery date, which is anticipated to occur the week of pricing.

Fiscal Impact:

None. The Special Tax Bonds are secured solely by the Special Taxes levies within the District. Costs of issuance are payable solely from Bond proceeds.

In accordance with Government Code 5852.1, the following information consists of estimates of certain costs and charges for the Bonds that have been provided by the underwriter, Piper Sandler & Co., which has been represented by such party to have been provided in good faith: (1) estimated true interest cost of the Bonds: 6.31%; (2) estimated finance charge of the Bonds (sum of all fees and charges paid to third parties): $641,725; (3) estimated amount of proceeds of the Bonds received (net of finance charges, reserves and capitalized interest, if any): $6,873,203; and (4) estimated total payment amount (sum total of all payments to pay debt service on the Bonds plus the finance charge not paid with proceeds of the Bonds) calculated to the final maturity of the Bonds: $21,187,583.

Terms of Transaction:

Amount:	$9,050,000
Maturity:	September 1, 2052
Security:	Revenue Pledge and Lien, Special Taxes
Bond Purchasers:	Public Offering; Retail and Institutional Investors
Rating:	Unrated
Estimated Closing:	November 15, 2022

Finance Team:

Underwriter:	Piper Sandler & Co.
Bond/Disclosure Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Underwriters Counsel:	Stradling Yocca Carlson & Rauth, PC
Project Administrator:	Francisco & Associates
CFD Administrator:	Goodwin & Associates
Trustee:	U.S. Bank National Association

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution to issue the special tax revenue bonds and the CFD bonds on behalf of the District for an amount not to exceed $9,050,000.

BARRETT RANCH EAST IMPROVEMENT AREA NO. 2,
BARRETT RANCH EAST IMPROVEMENT AREA NO. 3,
FULLERTAN RANCH COMMUNITY FACILITIES DISTRICTS
SUMMARY AND RECOMMENDATIONS

Amount: $14,985,000

Action: Approve Resolution Authorizing the Issuance of Special Revenue Bonds, Series 2022B, Related Issuance and Purchase of Special Tax Bonds for and on Behalf of CMFA Community Facilities Districts ("Districts" or "CFDs"), Along with All Related Documents

Purpose: Issuing Bonds to purchase underlying Community Facilities District Bonds, which will be used to finance infrastructure, including funding impact fees, within the Districts. Underlying District Bonds include California Municipal Finance Authority Community Facilities District No. 2020-4 (County of Sacramento – Barrett Ranch East IA2) Improvement Area No. 2, Community Facilities District No. 2020-4 (County of Sacramento – Barrett Ranch East IA3) Improvement Area No. 3, and Community Facilities District No. 2022-15 (City of Lincoln – Fullerton Ranch).

Activity: BOLD/ Community Facilities District

Meeting: October 14, 2022

Background:

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. Developers within the City of Lincoln and the County of Sacramento, as members of the CMFA, have submitted applications to participate in the BOLD program, and the members have held the required public hearings and made the required findings under applicable law related to the issuance by the CMFA of revenue bonds under the Marks-Roos Local Bond Pooling Act of 1985. In addition, the CMFA has taken all

actions necessary to form the Districts, and is now looking to issue bonds on a pooled basis to fund the facilities within each District.

The CMFA will issue CMFA Special Tax Revenue Bonds BOLD Program, Series 2022B (the "Bonds"), which will be utilized to purchase CFD bonds. Debt service payments made on the underlying CFD bonds will provide revenues for the payment of debt service due on the bonds being sold publicly to investors.

The underlying CFD bonds being issued, and their not to exceed amount for each district are as follows:

- CMFA Community Facilities District No. 2020-4 (County of Sacramento—Barrett Ranch East IA2) in the aggregate principal amount not to exceed $4,150,000;
- CMFA Community Facilities District No. 2020-4 (County of Sacramento—Barrett Ranch East IA3) in the aggregate principal amount not to exceed $5,180,000. Bonds will include NTE non-escrow bonds of $3,780,000 and escrow bonds of $1,400,000;
- Community Facilities District No. 2022-15 (City of Lincoln—Fullerton Ranch) in the aggregate principal amount not to exceed $5,655,000. Bonds will include NTE non-escrow bonds of $3,455,000 and escrow bonds of $2,200,000.

In aggregate, not more than $14,985,000 in bonds will be issued to acquire the CFD bonds. However, not more than $11,385,000 in non-escrow bonds, and two series of escrow bonds totaling to $3,600,000 will be issued. No additional bonds except for refunding bonds.

The Districts:

Descriptions of the districts are as follows:

Community Facilities District No. 2020-4 (County of Sacramento—Barrett Ranch East IA 2): The property in the District is entitled for, and developing into, 228 single-family homes by Lennar Homes. The District is Phase 2 of the overall "Barrett Ranch East" master planned community, which consists of approximately 128 gross acres being developed into a 482-lot subdivision. Improvement Area No. 1 (which was included in a prior BOLD financing) is complete. Improvement Area No. 2 is being developed quickly, with 62 homes owned by homeowners, an additional 16 completed homes, and an additional 101 homes under construction. The remaining 49 lots are all finished.

There are three different Villages in Improvement Area No. 2 which include part of Village 1, Village 3 and Village 8. The part of Village 1 included in the district includes 93 units in Lapis. Lapis includes homes ranging in size from 1,950 to 3,312 square feet with prices ranging from $590,990 to $741,990. Village 3 includes the product titled Sunstone, which 82 homes. Homes in Sunstone range in size from 1,662 to 3,033 square feet with prices ranging from $569,990 to $694,990. Village 8 is planned for 53 single family detached homes on 3,600 square-foot lots and the marketing name is Citrine. There are four plan sizes ranging from 1,467 to 1,892 square feet, with base pricing ranges from $470,990 to $510,990.

As of the date of appraisal, the appraiser estimated the combined value of property within the District was $58,243,082. In 2021, CMFA issued $9,110,000 in bonds for this project

(producing a 4:1 value to lien at the time). Based on the Not-to-Exceed amount of $4,150,000, this project would have a value to lien of 4.39 to 1.

Community Facilities District No. 2020-4 (County of Sacramento—Barrett Ranch East IA 3 The property in the District is entitled for, and developing into, 101 single-family homes by Lennar Homes. The District is Phase 3 of the overall "Barrett Ranch East" master planned community, which consists of approximately 128 gross acres being developed into a 482-lot subdivision. Final maps were recorded for the 101 lots in Barrett Ranch East Improvement Area No. 3 in June 2022. Of the villages in the Barrett Ranch East Community Facilities District, only Villages 5, 6, and 7 are within Barrett Ranch East Improvement Area No. 3. The other villages within the Barrett Ranch East Community Facilities District are located either in Improvement Area No. 1 or in Improvement Area No. 2 and are not part of the security for the CFD Bonds.

The property withing Improvement Area No. 3 includes part of all of Villages 5, 6 and 8, all of which are for the Garnet neighborhood. When the Piper Sandler bankers did a site tour, it appeared that Lennar would begin vertical construction shortly.

As of the date of appraisal, the appraised estimated value of property within the District was $15,236,000. Based on the Not-to-Exceed amount of the non-escrow bond of $3,780,000 this project would have a value to lien of 4.00 to 1. In addition to the non-escrow bonds, a not to exceed par of $1,400,000 in escrow bonds will be issued. The escrow bonds proceeds will be deposited into a escrow account, and can only be released once an updated appraisal is prepared that shows an increase in value so that upon the release of the escrowed bond proceeds, the value to lien ratio is in excess of 4:1. Lennar expects to meet this threshold by June of 2023.

Community Facilities District No. 2022-15 (City of Lincoln—Fullerton Ranch): Fullerton Ranch is located with the City of Lincoln adjacent to the Twelve Bridges development. The property within the District is entitled for, and developing into, 81 single-family homes by Lennar Homes. A final map for the District was recorded in March 2022. All lots in the District are approximately 6,000 square feet. The proposed product mix for the homes planned within the District four different floor plans, ranging in size from approximately 2,145 square feet to approximately 3,312 square feet.

As of October 1, 2022, the lots in the District were all finished or essentially finished condition, with home construction underway. As of the date of the appraisal, 12 homes were under construction.

As of the date of appraisal, the appraised estimated value of property within the District was $13,979,000. It is important to mention that while the value of building permits on the 12 homes under construction is included in this number, the value of the partially improved homes is not. Based on the Not-to-Exceed amount of the non-escrow bond of $3,455,000 this project would have a value to lien of 4.00 to 1. In addition to the non-escrow bonds, a not to exceed par of $2,200,000 in escrow bonds will be issued. The escrow bonds proceeds will be deposited into a escrow account, and can only be released once an updated appraisal is prepared that shows an increase in value so that upon the release of the escrowed bond proceeds, the value to lien ratio is in excess of 4:1. Lennar expects to meet this threshold by April of 2023.

Financing Documents:

The Resolution approves the forms of Indenture of Trust, Bond Purchase Agreement, Preliminary Official Statement, and Continuing Disclosure Certificate presented to the Board at the meeting, as well as related actions and documents. The principal documents being approved are summarized as follows:

- Indenture of Trust. The Indenture is the legal document pursuant to which the Special Tax Revenue Bonds, BOLD Program Series 2022B ("2022B Bonds") and the underlying special tax bonds for each of the CFDs/Improvement Areas being issued by the CMFA. The underlying special tax bonds for each CFD/Improvement Area will be purchased by the CMFA for the benefit of the holders of the 2022B Bonds, and the debt service payable on the underlying special tax bonds will be used to pay debt service on the 2022B Bonds, replenish amounts in the reserve fund created for the 2022B Bonds, and pay administrative costs of the CMFA in administering the bonds and the CFDs. U.S. Bank National Association will serve as trustee under the Indenture, and Goodwin Consulting will serve as special tax administrator, responsible for ensuring the special tax levy for each of the three CFDs is placed on the applicable County property tax roll each year so that debt service and administrative costs can be paid each year. The Indenture contains typical provisions related to the 2022B Bonds and the underlying special tax bonds, including as it relates to optional redemption and special mandatory redemption from special tax prepayments, and the establishment and administration of reserve accounts, project accounts and other accounts for the deposit of proceeds from each of the underlying special tax bonds.

  Under the Indenture, a pooled reserve fund will be established for the benefit of the holders of the 2022B Bonds. In the event of a delinquency in payment of special taxes by property owners within CFD 2020-04 IA2 or IA3 or CFD 2022-15, amounts in the reserve account can be used to cover the shortfall; replenishment of the reserve account can only be made from the CFD that caused the shortfall.

  In the Indenture, the CMFA covenants to bring a foreclosure action against delinquent property owners based on either an overall delinquency rate within a particular CFD (5%) or based on a threshold dollar amount of delinquencies for a particular owner ($3,000 for Barrett Ranch East IA2, $6,000 for Barrett Ranch East IA3, and $8,500 for Fullerton Ranch). The first step in the foreclosure process would be having the CFD administrator (Goodwin Consulting) send out a written demand letter to the applicable owner(s). Amounts levied each year within the applicable CFD for administrative costs, as well as amounts set-aside in the applicable reserve account, would be available to the CMFA to pay for the costs associated with any potential foreclosure proceeding.

  No additional bonds are anticipated or permitted to be issued under the Indenture, except for refunding bonds. No additional CFD Bonds can be issued within each CFD except for refunding bonds.

- Bond Purchase Agreement. The Bond Purchase Agreement is the legal document pursuant to which the 2022B Bonds are sold by the CMFA to Piper Sandler for further sale and distribution to ultimate purchasers. The BPA contains customary representations and warranties from the CMFA regarding the formation of each of the CFDs/Improvement Areas, the issuance of the underlying special tax bonds, and the

issuance of the 2022B Bonds. Forms of certificates of each of the developers that own the property in the CFDs are also included.

- Preliminary Official Statement. The Preliminary Official Statement ("POS") is the document pursuant to which material information is disclosed to potential purchasers of the 2022B Bonds. Once final pricing information is available for the 2022B Bonds, the POS will be turned into the Official Statement and distributed to actual purchasers of the 2022B Bonds. Among other things, the POS contains information regarding the 2022B Bonds, the underlying special tax bonds, the Indenture, the CMFA, the trustee, the BOLD Program, and various potential risks associated with investing in the 2022B Bonds. Included in various appendices to the POS is additional detailed information regarding each of the CFDs/Improvement Areas, the rate and method of apportionment of each of the CFDs/Improvement Areas, and an appraisal performed by Integra Realty Resources of the estimated market value of the land within each of the CFDs/Improvement Areas.

- Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate is included as Appendix F1 to the draft POS. The Continuing Disclosure Certificate is the document pursuant to which the CMFA agrees to provide certain information to investors in the 2022B Bonds, via postings to the MSRB's Electronic Municipal Market Access ("EMMA") website. On an annual basis, the CMFA will need to supply its audited financial statements and information concerning each of the CFDs/Improvement Areas as enumerated therein, including total assessed value, delinquency information, prepayment information, changes to any of the rate and method of apportionments for the CFDs, and annual information required to be provided to the California Debt and Investment Advisory Commission (CDIAC) each year. In addition, in a timely manner, the CMFA will need to report on the occurrence of any listed event enumerated therein, including relating to delinquencies, draws on the reserve fund, and bankruptcy events. Goodwin Consulting will serve as dissemination agent for the 2022B Bonds, assisting the CMFA in meeting its requirements under the Continuing Disclosure Certificate.

Assuming the Board approves this financing, staff will work with the Bond finance team to determining the final Bond sizing, and the preliminary Official Statement will be finalized and posted electronically for investors to review. Assuming the market remains stable, the Authority and Piper Sandler, the bond underwriter, will hold a pre-pricing call the week of October 24, 2022 to review bond market conditions and the preliminary interest rates, after which, the Bonds will be sold. An authorized officer will then execute, on behalf of the Authority, a Bond Purchase Agreement with Piper Sandler, finalizing the bond interest rates and setting the delivery date, which is anticipated to occur the week of pricing.

Fiscal Impact:

None. The Special Tax Bonds are secured solely by the Special Taxes levies within each district. Districts are not cross-collateralized, meaning one each district is only responsible for their debt service. Costs of issuance are payable solely from Bond proceeds.

In accordance with Government Code 5852.1, the following information consists of estimates of certain costs and charges for the Bonds that have been provided by the underwriter, Piper Sandler & Co., which has been represented by such party to have been provided in good faith: (1) estimated true interest cost of the Bonds: 6.18%; (2) estimated finance charge of the Bonds (sum

of all fees and charges paid to third parties): $767,392; (3) estimated amount of proceeds of the Bonds received (net of finance charges, reserves and capitalized interest, if any): $10,321,434; and (4) estimated total payment amount (sum total of all payments to pay debt service on the Bonds plus the finance charge not paid with proceeds of the Bonds) calculated to the final maturity of the Bonds: $ 30,815,904.

Terms of Transaction:

Amount:	$14,985,000
Maturity:	September 1, 2052
Security:	Revenue Pledge and Lien, Special Taxes
Bond Purchasers:	Public Offering; Retail and Institutional Investors
Rating:	Unrated
Estimated Closing:	November 22, 2022

Finance Team:

Underwriter:	Piper Sandler & Co.
Bond/Disclosure Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Underwriters Counsel:	Stradling Yocca Carlson & Rauth, PC
Project Administrator:	Francisco & Associates
CFD Administrator:	Goodwin & Associates
Trustee:	U.S. Bank National Association

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution to issue the special tax revenue bonds and the CFD bonds on behalf of each of the districts for an amount not to exceed $14,985,000.

INTERNAL CONTROLS AND POLICIES & PROCEDURES

Subject: Internal Controls and Policies & Procedures

Meeting: February 25, 2022

Background:

The CMFA Internal Controls, which include Policies & Procedures as an appendix, are reviewed annually. The proposed Internal Controls and Polices & Procedures include minor updates and clarifications as well as an update to the Investment Policy.

Recommendation:

The Executive Director recommends approving the proposed Internal Controls and Policies and Procedures.