



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



REGULAR MEETING AGENDA

October 27, 2022 at 2:00 pm

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), Commissioners of the California Statewide Communities Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. If you experience technical problems with the telephonic meeting, please contact info@cscda.org or 1-800-531-7476 for assistance. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Tim Snellings, Chair
_____ Brian Moura, Vice Chair
_____ Kevin O'Rourke, Secretary
_____ Jordan Kaufman, Treasurer
_____ Dan Mierzwa, Member

_____ Marcia Raines, Member
_____ Brian Stiger, Member
_____ Niroop Srivatsa, Alt. Member
_____ Jim Erb, Alt. Member

2. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

3. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Berkeley Downtown Hotel Holdings LLC, City of Berkeley, County of Alameda, consideration of resolution ratifying form PACE documents for North Bridge ESG LLC commercial PACE and issue up to \$90,000,000 in commercial PACE bonds

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

4. Executive Director Update.
5. Staff Updates.

6. Adjourn.

NEXT MEETING: Thursday November 3, 2022 at 2:00 p.m.



Agenda Item No. 3

Agenda Report

DATE: October 27, 2022

TO: CSCDA COMMISSIONERS

FROM: James Hamill, Managing Director

PROJECT: Residence Inn - Berkeley

PURPOSE: Authorize the issuance of commercial PACE bonds to finance energy efficiency improvements, water conservation improvements, and seismic resiliency.

AMOUNT: Not to Exceed \$90,000,000

EXECUTIVE SUMMARY:

On October 6, 2022 the Commission approved a commercial PACE financing for Berkeley Downtown Hotel Owner LLC, a Delaware limited liability company (d/b/a Residence Inn Berkeley), to finance retroactive costs and improvements associated with a recently built 331-key full-service hotel at 2121 Center Street, Berkeley, California 94704 in the amount of \$84.5 million. Since such approval interest rate increases require an increase in the borrowing to approximately \$86 million.

PROJECT ANALYSIS:

About the Project:

CSCDA will finance retroactive energy efficiency improvements, water conservation improvements, seismic resilience improvements, plus related scope, indirect and soft costs, for the building located at 2121 Center Street, Berkeley, California 94704. The financing will be taxable and be funded through the PACE assessment. See Attachment A for details of the improvements being financed.

Public Agency Approval:

TEFRA approval is not required as the financing falls into the category of PACE and not tax-exempt private activity bonds. The City of Berkeley approved CSCDA levying assessments under PACE on April 7, 2015.

Sources and Uses:

Sources of Funds:	
Par Amount of Bonds:	\$85,976,243.00
Total Sources:	<u>\$85,976,243.00</u>
Use of Funds:	
Improvements Fund:	\$73,500,000.00
Capitalized Interest Fund:	11,347,535.00
Costs of Issuance Fund:	775,208.00
Administrative Expense Fund:	<u>353,500.00</u>
Total Uses:	<u>\$85,976,243.00</u>

Finance Partners:

PACE Counsel:	Orrick, Herrington & Sutcliffe, San Francisco, California
PACE Assessment Administrator:	DTA Finance, Newport Beach, California
PACE Energy Audit:	Asset Environments, Omaha, Nebraska
Capital Provider:	North Bridge
Private Placement Purchaser:	Blackstone Real Estate Debt Strategies, New York, NY

Finance Terms:

Term:	25 years at a fixed interest rate
Structure:	Private Placement
Estimated Closing:	October 28, 2022

CSCDA Policy Compliance:

The financing complies with CSCDA's general, issuance and PACE policies.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Managing Director recommends that the Commission adopt the attached resolution, updating the not-to-exceed amount to \$90,000,000. (Attachment B)

ATTACHMENT A

#	Facility Improvement Measure (FIM)	Construction Cost (\$)	Soft Costs (\$)	Net Cost (\$)	Estimated Useful Life (Years)	Meets or Exceeds Code
1	LED Lighting - Interior	\$12,391,664	\$2,482,308	\$ 14,873,972	20	Exceeds
2	LED Lighting - Exterior	\$2,478,333	\$496,462	\$ 2,974,794	20	Exceeds
3	High Efficiency HVAC Systems	\$18,946,650	\$3,795,408	\$ 22,742,058	25	Exceeds
4	Low-Flow Plumbing Fixtures	\$6,316,093	\$1,265,245	\$ 7,581,337	20	Exceeds
5	High Efficiency DHW System	\$1,263,219	\$253,049	\$ 1,516,267	20	Exceeds
6	Roof Construction	\$1,608,080	\$372,286	\$ 1,980,367	30	Exceeds
7	Wall Construction	\$4,790,249	\$1,108,990	\$ 5,899,239	40	Meets
8	Low U-Value Windows	\$8,458,988	\$1,694,511	\$ 10,153,499	30	Exceeds
9	Seismic Resiliency	\$4,246,838	\$850,730	\$ 5,097,568	40	Meets
11	Elevators	\$3,600,387	\$721,732	\$ 4,321,620	30	Meets
	Totals	\$ 64,100,500	\$ 13,040,221	\$ 77,140,721	26.5	
					(weighted ave.)	

ATTACHMENT B

RESOLUTION NO. 22R-__

(1) A RESOLUTION AMENDING RESOLUTION NO. 22R-14 RELATING TO THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED OBLIGATION IMPROVEMENT BONDS IN CONNECTION WITH THE NORTH BRIDGE PACE FINANCING PROGRAM

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”) (the “Authorized Improvements”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions (as defined in the Resolution of Intention and herein, the “Covered Jurisdictions”); and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the “Executive Director”) to prepare or cause to be prepared and to file with the Commission a report (the “Report”) addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a draft contract (the “Contract”) between the Authority and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, the Report was filed with the Secretary of the Commission prior to December 4, 2014; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the “Resolution Confirming Report”), the Commission of the Authority confirmed the Report and established the Program in the Covered Jurisdictions; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Report, the Authority is authorized to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, pursuant to the Resolution Confirming Report, the Commission of the Authority approved the form of Contract attached to the Report and authorized and directed any Authorized Signatory of the Authority to execute Contracts with property owners in substantially said form, with such additions thereto and changes therein as the Authorized Signatory executing the same, in consultation with counsel to the Authority, deemed necessary, desirable or appropriate; and

WHEREAS, pursuant to the Resolution of Intention, the Commission of the Authority provided for the issuance of one or more series of improvement bonds pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Bond Law”); and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-67 (the “Bond Resolution”), the Commission of the Authority authorized the issuance of limited obligation improvement bonds in one or more series from time to time to be designated generally as “California Statewide Communities Development Authority Open PACE Limited Obligation Improvement Bonds” (the “Bonds”) for the purpose, among others, of financing or refinancing the installation of Authorized Improvements; and

WHEREAS, pursuant to the Bond Resolution, the Commission of the Authority approved the form of one or more Master Indentures (including the form of Issuance Certificate attached thereto) (each a “Master Indenture”) for the issuance of the Bonds and authorized any Authorized Signatory to execute and deliver one or more Master Indentures (including any Issuance Certificate (each an “Issuance Certificate”)) in substantially said form, with such changes and insertions therein as any member of the Commission, with advice of counsel to the Authority, may approve; and

WHEREAS, the Authority has approved North Bridge ESG LLC (“North Bridge”) as a capital provider for the Program and may, in the future, appoint North Bridge as a program administrator for the Program (the portion of the Program to be administered by North Bridge, whether as capital provider or as program administrator, is referred to herein as the “North Bridge PACE Financing Program”); and

WHEREAS, North Bridge has executed a term sheet and has requested that the Authority issue Bonds for the purpose of financing and/or refinancing the installation of Authorized Improvements for the property located generally at 2121 Center Street in Berkeley, CA and owned by Berkeley Downtown Hotel Owner, LLC (the “Project”); and

WHEREAS, on October 6, 2022, pursuant to Resolution No. 22R-14 (the “Original Resolution”) the Commission of the Authority provided for the issuance of Bonds in one or more series in an aggregate principal amount not to exceed \$84,500,000 for the purpose of financing and/or refinancing the installation of Authorized Improvements for the Project; and

WHEREAS, North Bridge has requested that the Original Resolution be amended to provide for the issuance of Bonds in one or more series in an aggregate principal amount not to exceed \$90,000,000 for the purpose of financing and/or refinancing the installation of Authorized Improvements for the Project;

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

Section 1. The last sentence of Section 3 of the Original Resolution is hereby amended to read in full as follows: “The issuance of Bonds in one or more series in an aggregate principal amount not to exceed \$90,000,000 for the purpose of financing and/or refinancing the installation of Authorized Improvements for the Project is hereby provided for.”

Section 2. Except as amended by this Resolution, the Original Resolution shall remain in full force and effect and is hereby ratified, confirmed and approved.

Section 3. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 27th day of October, 2022.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 27, 2022.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority