



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

October 23, 2014

10:00 a.m.

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

3252 Southern Hills Drive
Fairfield, CA 94534

340 Olive Street
Morro Bay, CA 93442

County of Monterey
168 West Alisal Street
Salinas, CA 93901

709 Portwalk Place
Redwood City, CA 94065

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the October 9, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Auburn Villa Preservation, LP (Auburn Villa Apartments), City of Auburn, County of Placer; up to \$6 million in multi-family housing revenue notes. (Staff: Scott Carper)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- b. The Buck Institute for Research on Aging, City of Novato, County of Marin; up to \$95 million in revenue bonds. (Staff: Scott Carper)
- c. 899 Charleston (Moldaw Residences), City of Palo Alto, County of Santa Clara; up to \$75 million in revenue refunding bonds. (Staff: Scott Carper)
- d. California College of the Arts, City of San Francisco, County of San Francisco, City of Oakland, County of Alameda; up to \$26 million in obligations. (Staff: Scott Carper)
- e. Olive Villages of Indio, LP (Olive Court Apartments), City of Indio, County of Riverside; up to \$6 million in multi-family housing revenue notes. (Staff: Scott Carper)
- f. Santa Fe Hesperia AR, LP (Santa Fe Apartments), City of Hesperia, County of San Bernardino; up to \$4,890,000 in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)
- g. Montclair Lemoore AR, LP (Montclair Apartments), City of Lemoore, County of Kings; up to \$3,525,000 in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)
- h. Glenview Cameron Park AR, LP (Glenview Family Apartments), City of Cameron Park, County of El Dorado; up to \$6,798,000 in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)

VI. Public Comment.

VII. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:

- a. Inducement of Samoa Avenue Housing, LP (Samoa Avenue Apartments), City of Tujunga, County of Los Angeles; issue up to \$15,500,000 in multi-family housing revenue bonds.
- b. Approval of the Town of Tiburon as Program Participant
- c. Wells Fargo Corporate Trust Services Invoice #1103486 for \$3,500.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2013A.

Thursday, October 23, 2014

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

Item II

Consideration of the Minutes of the October 9, 2014 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

October 9, 2014

MINUTES

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

I. Roll Call

Commission members present: Larry Combs and Dan Harrison. Irwin Bornstein and Alternate Commissioner Ron Holly, representing Dan Mierzwa participated by conference telephone.

CSCDA Executive Director, Catherine Bando participated by conference telephone.

Others present included: Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Mike LaPierre and Scott Carper, HB Capital; Laura Labanieh Campbell, CSAC Finance Corporation; and Mark Paxson, State Treasurer's Office. Mercedes Baumbach, HB Capital; Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick Herrington & Sutcliffe; and Mimi Frusha, Renewable Funding participated by conference telephone.

II. Approval of minutes—September 23, 2014

The commission approved the minutes for the regular and special meetings held September 23, 2014.

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

III. Staff updates

Mike LaPierre (HB Capital) announced that Mercedes Baumbach is the new chief compliance officer at GPM Municipal Advisors.

Also, CSCDA received an IRS examination letter on behalf of the Kaiser Permanente series 2006B bonds. Orrick Herrington & Sutcliffe will represent.

Additionally, regarding the IRS examination of the tobacco securitization bond (2006), it looks like this examination will be closed out soon without issue.

Finally, regarding the Thomas Jefferson School of Law 2008 bonds, the school is looking to restructure the debt due to difficult financial times. They missed a portion of the June payment, and about 80% of the bondholders have asked the school to not tap the debt service reserve fund for the October payment until the possibility of debt restructure is properly explored.

IV. Approval of consent calendar

1. Induce the following project:
 - a. Butterfield Retirement, LP (Butterfield Retirement), City of Morgan Hill, County of Santa Clara; issue up to \$23 million in multi-family housing revenue bonds.
2. Approve the following bills for payment:
 - a. Wells Fargo Corporate Trust Services invoice #1115520.
3. Approve modifications to the SCIP Manual of Procedures. Commissioner Harrison inquired about the revision to the manual, noting that SCIP participants no longer need to be a member of the League or CSAC. Executive Director Bando explained the provision was modified to allow special districts to participate. However, participants must be a member of CSCDA.
4. Approve resolution ordering judicial foreclosure related to Assessment District 07-02 (San Diego).
5. Approval of Town of Corte Madera as a program participant.

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

V. Conduct proceedings with respect to Assessment District 14-01, County of Contra Costa (Emerson Ranch Project) (hearing to be held at 10:00 am or shortly thereafter):

- a. Open Assessment District public hearing. Chair Larry Combs opened the public hearing at 10:12 am and invited the public to comment.
- b. Close Assessment District public hearing. Chair Larry Combs closed the public hearing at 10:12 am, noting no comments from the public.
- c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified capital improvements, and confirming unpaid assessment amounts. Patricia Eichar (Orrick) reported that all ballots were received, all voting yes.

Motion to approve staff recommendation by Harrison; second by Holly; unanimously approved by roll-call vote.

- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.

Motion to approve staff recommendation by Harrison; second by Holly; unanimously approved by roll-call vote.

VI. Conduct proceedings with respect to Statewide Community Infrastructure Program (SCIP) Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project) (hearing to be held at 10:00 am or shortly thereafter):

- a. Open Assessment District public hearing. Chair Larry Combs opened the public hearing at 10:17 am and invited the public to comment.
- b. Close Assessment District public hearing. Chair Larry Combs closed the public hearing at 10:17 am, noting no comments from the public.
- c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified capital improvements, and confirming unpaid assessment amounts. Patricia Eichar (Orrick) reported that all ballots were received, all voting yes.

Motion to approve staff recommendation by Holly; second by Harrison; unanimously approved by roll-call vote.

- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.

Motion to approve staff recommendation by Harrison; second by Bornstein; unanimously approved by roll-call vote.

- e. A resolution authorizing the issuance, sale and delivery of not to exceed \$12 million Statewide Communities Infrastructure Program Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project); and the execution and delivery of a trust agreement, an official statement, a bond purchase contract, a continuing disclosure agreement, a fee collection and disbursement agreement; and certain other actions in connection with the issuance and sale of such bonds.

Motion to approve staff recommendation by Holly; second by Harrison; unanimously approved by roll-call vote.

VII. Conduct proceedings with respect to Statewide Community Infrastructure Program (SCIP) Revenue Bonds, Series 2014B (hearing to be held at 10:00 am or shortly thereafter):

- a. Open Assessment District public hearing. Chair Larry Combs opened the public hearing at 10:22 am and invited the public to comment.
- b. Close Assessment District public hearing. Chair Larry Combs closed the public hearing at 10:22 am, noting no comments from the public.
- c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified capital improvements, and confirming unpaid assessment amounts. Patricia Eichar (Orrick) reported that all ballots were received, including consents and waivers, all voting yes.

Motion to approve staff recommendation by Bornstein; second by Harrison; unanimously approved by roll-call vote.

- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.

Motion to approve staff recommendation by Harrison; second by Holly; unanimously approved by roll-call vote.

VIII. Approve a resolution authorizing issuance of limited obligation improvement bonds not to exceed \$50 million for the CaliforniaFIRST commercial program.

Scott Carper (HB Capital) explained that staff felt it was desirable to modify the commercial PACE program in a similar fashion as the residential PACE program whereby the commission approves bonds up to a maximum amount rather than require approval at each issuance.

Mimi Frusha (Renewable Funding) updated the commission about a few of the projects that are currently in the works. She also indicated interest in the program is beginning to pick up.

Motion to approve staff recommendation by Holly; second by Bornstein; unanimously approved by roll-call vote.

IX. Approve David Taussig & Associates' fee schedule as assessment engineer to the Commercial PACE Program.

Scott Carper (HB Capital) explained that David Taussig & Associates is already the assessment engineer for the residential PACE program, as well as for the SCIP program. The commission has experience working with this firm and staff requests approval of the fee schedule.

Motion to approve staff recommendation by Bornstein; second by Holly; unanimously approved by roll-call vote.

X. Approve CaliforniaFIRST program changes.

Mimi Frusha (Renewable Funding) explained the following four changes to the program: (i) permits re-amortization of the PACE assessment after the customer partially prepays; (ii) extends the maximum term for eligible projects beyond 20 years; (iii) permits a 30-day extension for those who install solar PV; and (iv) raise the maximum eligible value to 15% to be consistent with the PACE Loss Reserve requirements.

Executive Director Bando recommends adoption of the program changes.

Motion to approve staff recommendation by Harrison; second by Bornstein; unanimously approved by roll-call vote.

XI. Residential PACE program update.

Mimi Frusha (Renewable Funding) explained the program launched in 17 counties a little over one month ago, and is going well. Over 50% of the activity experienced since May has occurred during the last four weeks, which seems promising. The program currently has over 50 approved contractors, with close to 500 expected by year-end. Over 600 applications (approx. \$14 million) have been received to date. Have been working to expand the program, including recruiting additional counties.

XII. Approve the issuance of request for proposals for the telecommunication asset monetization program.

Scott Carper (HB Capital) explained the proposed underutilized telecommunications assets monetization program. One such recent transaction occurred in Texas and another is taking place in New York. Staff believes such a program may be of interest and benefit to California members, so requests approval to send out an RFP to investment banking firms that may be interested in administering and marketing the program.

Chair Larry Combs suggested that the program be expanded to include other electronic equipment, including computers.

Motion to approve staff recommendation, amended to include electronic equipment, by Holly; second by Harrison; unanimously approved by roll-call vote.

XIII. Public comment.

None.

XIV. Adjournment.

Commission chair Larry Combs adjourned the meeting at 10:51 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, October 23, at 10:00 a.m.
in CSAC's office at 1100 K Street, Sacramento, California.*

Item IV.

Consideration Consent Calendar

- a. Inducement of Samoa Avenue Housing, LP (Samoa Avenue Apartments), City of Tujunga, County of Los Angeles; issue up to \$15,500,000 in multi-family housing revenue bonds.
- b. Approval of the Town of Tiburon as Program Participant
- c. Wells Fargo Corporate Trust Services Invoice #1103486 for \$3,500.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2013A.

Applicant Information

Primary Contact E-mail: ali.milani@milarehousing.com

Name of Developer: **Milare Housing Investments, Inc**
TIN or EIN: **27-4035045**

Primary Contact

First Name: **Ali**
Title: **President**

Last Name: **Milani**

Address:

Street: **313 E. Broadway #10777**
City: **Glendale**
Phone: **818-550-1990**
Email: **ali.milani@milarehousing.com**

Suite:
State: **California** Zip: **91209**
Ext: Fax:

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Samoa Avenue Housing, LP**

Type of Entity:

☐ For-profit Corporation
☒ Partnership

☐ Non-profit Corporation
☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: 5/1/2013

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **35**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **35**

Primary Billing Contact

Organization: **Milare Housing Investments, Inc**
First Name: **Ali**
Title: **President**

Last Name: **Milani**

Address

Street: **313 E. Broadway #10777**
City: **Glendale**
Phone: **818-550-1990**
Email: **ali.milani@milarehousing.com**

Suite:
State: **California** Zip: **91209**
Ext: Fax:

Project Information

Project Information

Project Name: **Samoa Avenue Apartmrnts**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **CSCDA**

Facility Bond Amount: **\$8,000,000.00**

Project Address:

Street: **10046-56 Samoa Avenue**

City: **Tujunga**

State: **California**

Zip: **91042**

County: **Los Angeles**

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

Total Number of Units:

Market: **0**

Restricted: **48**

Total: **48**

Lot size: **0.98 Acre**

Amenities:

Each unit will be furnished with closet space, heating and air-conditioning, vinyl at kitchen and entry areas and wall to wall carpeting elsewhere. The kitchen will be furnished with double sink, garbage disposal, dishwasher, refrigerator and elec. stove.

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

Wood framed, three story over gated, remote accessible, semi-subterranean parking garage with elevator service to all floors. The project will comply with all physical building requirements. This project will have a solar systems for all units.

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **Department of City Planning**

First Name: **Milena**

Last Name: **Zasadzien**

Title: **Planning Assistance**

Phone: **818-374-5054**

Ext:

Fax:

Email: **milena.zasadzien@lacity.org**

Public Benefit Info:

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

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

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	1	917.00	1,450.00	
2.	2 Bedrooms	60	2	1,101.00	1,450.00	
3.	3 Bedrooms	50	5	1,060.00	1,600.00	
4.	3 Bedrooms	60	22	1,272.00	1,600.00	

5.	4 Bedrooms	50	4	1,182.00	2,000.00	
6.	4 Bedrooms	60	14	1,419.00	2,000.00	

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
25	25	39

Financing Information

Financing Information

Maturity 35 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☒ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Citi Community Capital

Permanent Financing:

☒ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Citi Community Capital

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$7,428,848.00</u>
Taxable Bond Proceeds:	<u>\$3,918,509.00</u>
Tax Credits:	<u>\$4,713,287.00</u>
Developer Equity:	<u>\$1,981,506.00</u>
Other Funds (Describe):	
<hr/>	<u>\$</u>
<hr/>	<u>\$</u>
<hr/>	<u>\$</u>
<hr/>	<u>\$</u>
<hr/>	<u>\$</u>
Total Sources:	<u>\$18,042,150.00</u>

Uses:

Land Acquisition:	<u>\$2,000,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$10,900,000.00</u>
Cost of Issuance:	<u>\$216,189.00</u>
Capitalized Interest:	<u>\$545,852.00</u>
Reserves:	<u>\$182,991.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$2,030,858.00</u>
Permit	<u>\$650,000.00</u>
Arch	<u>\$440,370.00</u>
Contingency	<u>\$516,755.00</u>
Other costs	<u>\$559,135.00</u>
Total Uses:	<u>\$18,042,150.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

City: San Francisco

State: California

Suite:

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Citi Community Capital

Primary Contact

First Name: Mike

Last Name: Hemmens

Title: Director

Address:

Street: 325 E. Hillcrest Dr.

City: Thousands Oaks

State: California

Suite: 160

Zip: 91360

Phone: 805-557-0933

Ext:

Fax:

Email: mike.hemmens@citi.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RECORDING REQUESTED, RETURN TO:
TIBURON TOWN CLERK
1505 TIBURON BOULEVARD
TIBURON, CA 94920

Record without fee per G.C. 27383

RESOLUTION NO. 42-2014

A RESOLUTION AUTHORIZING THE TOWN OF TIBURON TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE TOWN; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the Town of Tiburon (the "Town"); and

WHEREAS, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the Town desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

WHEREAS, California Communities will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements;

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within

which assessments may be levied for the CaliforniaFIRST Program shall include all of the territory within the Town's official boundaries of record (the "Proposed Boundaries"); and

WHEREAS, the Town will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program; and

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Tiburon as follows:

Section 1.

On the date hereof, the Town Council held a public meeting and the Town Council hereby finds and declares that the issuance of bonds by California Communities in connection with the CaliforniaFIRST Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the Town.

Section 2.

In connection with the CaliforniaFIRST Program, the Town hereby consents to the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided, that

- i. Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- ii. The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- iii. The Town will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.
- iv. The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by California Communities pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of California Communities.

Section 3.

Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST Program (the "Program Report"), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4.

The appropriate officials and staff of the Town are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided, that California Communities shall be responsible for providing such applications and related materials at its own expense. The Town designates the Marin Clean Energy as the primary point of contact for California Communities in connection with the CaliforniaFIRST Program.

Section 5.

The appropriate officials and staff of the Town are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by California Communities in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6.


The Town Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 7.

This Resolution shall take effect immediately upon its adoption. The Town Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

PASSED AND ADOPTED at a regular meeting of the Town Council on October 1, 2014, by the following vote:

AYES: COUNCILMEMBERS: Doyle, Fraser, Fredericks, O'Donnell, Tollini
NOES: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: None


ALICE FREDERICKS, MAYOR
TOWN OF TIBURON

ATTEST: 
DIANE CRANE IACOPI, TOWN CLERK

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1103486	Billing Date 08/04/2014	Due Date 09/03/2014	Amount Due \$3,500.00
California Statewide Communities Development Luis Castro 2999 Oak Road, Suite 710 Walnut Creek, CA 94597			<i>Please mail or wire payment to:</i> Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113 Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Account Name, Attn Name ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
<i>Please return this portion of the statement with your payment in the envelope provided:</i>			
<i>Please retain this portion for your records</i>			

Account Number: 46610900

CSCDA SCIP 2013A - Private Placement

Administration Charges

Disclosure Dissemination	For the Period 08/29/2014 through 08/28/2015	\$500.00
Trustee Fee	For the Period 08/29/2014 through 08/28/2015	\$3,000.00
Total Amount Due:		\$3,500.00

Billings past due are subject to an 18% annual finance charge of the balance due.

Item V.

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

- a. Auburn Villa Preservation, LP (Auburn Villa Apartments), City of Auburn, County of Placer; up to \$6 million in multi-family housing revenue notes. (Staff: Scott Carper)

INFORMATION REPORT

DATE: OCTOBER 23, 2014

APPLICANT: PRESERVATION PARTNERS DEVELOPMENT III, L.P./PRESERVATION PARTNERS DEVELOPMENT

AMOUNT: UP TO \$6,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF AUBURN VILLA APARTMENTS LOCATED AT 600 MIKKELSEN DRIVE IN AUBURN, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Auburn Villa Apartments (the “Project”), is a 50 unit multifamily property located in Auburn, California. The Project’s application was filed on November 22, 2013 and induced on December 5, 2013.

Summary:

Preservation Partners Development III, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$6,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 50 one-bedroom units to low-income seniors in Auburn.

The Property was constructed on 3 acres in 1977 and is comprised of 3 two-story residential buildings, a recreation room, lounge, common area and laundry room. The rehabilitation will include replacing flooring in kitchen and bathrooms, new wood cabinets, new countertops with updated sinks and plumbing, new paint, updated light fixtures, new toilets, and replacement of windows and blinds. Asphalt shingles will be replaced to improve energy efficiency and the parking lot will be repaired, sealed and stripped. Security site lighting on buildings and at walkways will also be upgraded.

Rehabilitation is expected to begin in November 2014 and take approximately 5 months to complete.

The Borrower has previously rehabilitated 25 multifamily and senior housing properties throughout California. This is their fifth financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 5 units reserved for tenants whose income is at or below 50% AMI
 - 44 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within ½ mile of a medical clinic
 - The Project is located within ½ mile of a grocery store
 - The Project is located within ½ mile of a medical clinic
 - The Project is located within ½ mile of a public library
- Economic Benefits
 - Based upon \$7,427,893.00 Project costs using a 1.8 multiplier the Project produces approximately \$13,370,207 total economic activity, and at 2.1 jobs per unit produces approximately 105 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: January 7, 2014, County of Placer, unanimous approval

CDLAC Approval: May 21, 2014

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$6,000,000	80.78%
Developer Equity	\$854,165	11.50%
LIHTC Equity	\$363,667	4.90%
Other	<u>\$210,061</u>	<u>2.83%</u>
Total Sources	\$7,427,893	100.00%

Uses:

Acquisition Cost	\$3,500,000	47.12%
Hard Construction Costs	\$1,933,166	26.03%
Architect & Engineering Fees	\$20,000	0.27%
Contractor Overhead & Profit	\$131,151	1.77%
Developer Fee	\$854,165	11.50%
Relocation	\$67,500	0.91%
Cost of Issuance	\$600,786	8.09%
Capitalized Interest	\$221,125	2.98%
Other Soft Costs (Marketing, Etc.)	<u>\$100,000</u>	<u>1.35%</u>

Total Uses

\$7,427,893

100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Citibank, N.A.

Financing Structure:

The construction bonds will have a term of 24 months and will carry a variable interest rate. The Bonds will then convert to the permanent phase for 35 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.55%. The bonds will be privately placed with Citibank.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director Review and Recommendation:

The Executive Director has reviewed the Auburn Villa Apartments transaction and based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the County of Placer, and conformance to the CSCDA General and Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. County of Placer TEFRA Resolution
3. CDLAC Resolution Exhibit A

Applicant Information

Primary Contact E-mail: chuck@preservationpartners.org

Name of Developer: **Preservation Partners Development III, LLC**

TIN or EIN: **51-0456835**

Primary Contact

First Name: **Chuck**

Last Name: **Treatch**

Title: **Development Partner**

Address:

Street: **21515 Hawthorne Blvd**

Suite: **125**

City: **Torrance**

State: **California**

Zip: **90503**

Phone: **310-802-6681**

Ext:

Fax: **310-802-6680**

Email: **chuck@preservationpartners.org**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Preservation Partners Management Group, Inc.**

Type of Entity:

☒ For-profit Corporation

☐ Non-profit Corporation

☐ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: 3/17/06

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **29**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **29**

Primary Billing Contact

Organization: **Preservation Partners Development III, LLC**

First Name: **Chuck**

Last Name: **Treatch**

Title: **Development Partner**

Address

Street: **21515 Hawthorne Blvd**

Suite: **125**

City: **Torrance**

State: **California**

Zip: **90503**

Phone: **310-802-6681**

Ext:

Fax: **310-802-6680**

Email: **chuck@preservationpartners.org**

Project Information

Project Information

Project Name: **Auburn Villa**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Auburn Villa Apartments**

Facility Bond Amount: **\$4,122,000.00**

Project Address:

Street: **600 Mikkelsen Drive**

City: **Auburn**

State: **California**

Zip: **95603**

County: **Placer**

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

Total Number of Units:

Market:

Restricted: **50**

Total: **50**

Lot size: **3 acres**

Amenities:

Community Room, Tot Lots, Open Grass Area, Laundry Facilities

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

Wood Frame, 2 Story, 3 buildings

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	5	678.00	958.00	280.00
2.	1 Bedroom	60	45	814.00	958.00	144.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
4	1	1

Financing Information

Financing Information

Maturity 15 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Rabo Bank

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☐ Unrated

Moody's:

S&P:

Fitch:

aa

aa

aa

Projected State Allocation Pool:

☐ General ☐ Mixed Income ☒ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$4,122,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$2,586,737.00</u>
Developer Equity:	<u>\$599,559.00</u>
Other Funds (Describe):	
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
Total Sources:	<u>\$7,308,296.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$3,500,000.00</u>
Construction or Remodel:	<u>\$2,136,594.00</u>
Cost of Issuance:	<u>\$395,000.00</u>
Capitalized Interest:	<u>\$103,050.00</u>
Reserves:	<u>\$123,271.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$833,977.00</u>
Developmet Soft Cost	<u>\$216,404.00</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
Total Uses:	<u>\$7,308,296.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **4157735700**

Ext:

Fax: **4157735759**

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Rabo Bank

Primary Contact

First Name: **Lauren**

Last Name: **Stephens**

Title: **Relationship Manager**

Address:

Street: **618 W Main Street**

Suite:

City: **Visalia**

State: **California**

Zip: **93291**

Phone: **5597352270**

Ext:

Fax: **5597352244**

Email: **lauren.stephens@rabobank.com**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14-47
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-047
3. Project Sponsor: Auburn Villa Preservation LP (Auburn Villa Cornucopia LLC; Auburn Villa Preservation Partners LLC)
4. Project Management Co.: Preservation Partners Management Group, Inc.
5. Project Name: Auburn Villa Apartments
6. Type of Project: Acquisition and Rehabilitation/Senior Citizens/Federally Assisted At-Risk
7. Location: Auburn, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 49 plus 1 manager unit
11. Total Number of Restricted Rental Units: 49
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 5 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 44 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-47

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.
Not Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
Not Applicable
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
Not Applicable
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.
Applicable
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.
Not Applicable

RESOLUTION NO. 14-47

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS AUBURN VILLA APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, Auburn Villa Preservation Limited Partnership, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Auburn Villa Apartments) 2014 Series Q (the “Note”) to assist in the financing of the acquisition, rehabilitation and development of a 50-unit multifamily housing rental development located in the City of Auburn, County of Placer, California, and known as Auburn Villa Apartments (the “Project”);

WHEREAS, on May 21, 2014, the Authority received an allocation in the amount of \$6,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the County of Placer (the “County”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$6,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note;

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;

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

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Auburn Villa Apartments) 2014 Series Q” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$6,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and

insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond November 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not

create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 23, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 23, 2014.

By _____
Authorized Signatory

Item V

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

- b. The Buck Institute for Research on Aging, City of Novato, County of Marin; up to \$95 million in revenue bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	OCTOBER 23, 2014
APPLICANT:	THE BUCK INSTITUTE FOR RESEARCH ON AGING
AMOUNT:	UP TO \$95 MILLION OF REVENUE BONDS
PURPOSE:	FINANCE AND REFINANCE REVENUE BONDS FOR THE CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF A RESEARCH FACILITY
PRIMARY ACTIVITY:	RESEARCH FACILITY
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

The Buck Institute for Research on Aging (the “Institute” or the “Borrower”) was incorporated in November 1986 as an independent organization whose mission is to increase the healthy, productive years of life through research and education in aging. The Institute is a nonprofit public benefit corporation, an exempt organization described in Section 501(c)(3) of the Internal Revenue Code, which receives a portion of its funding from the Leonard and Beryl Buck Foundation (also known as the “Buck Trust”) pursuant to an order of the Marin County Superior Court.

The Institute is located at 8001 Redwood Boulevard, Novato, California in Marin County and is situated on approximately 400+ acres. In 1989, the Institute acquired its campus in northern Marin County; in 1996, it began construction of its existing research buildings; and in 1999 it began operating as a scientific research organization in this newly constructed space. The Institute opened its second research building in April 2012 and now has entitlements for 355,000 square feet of research and administrative space housing up to 550 employees.

The Institute is dedicated to studying the basic biology of aging and age-associated diseases. The mission of the Institute is to increase the healthy, productive years of each individual’s life through clinically relevant biomedical research and education on aging and age-associated diseases such as Alzheimer’s, Parkinson’s, cancer and stroke. The Institute’s research programs address two fundamental questions: What is the nature of aging? And what factors trigger diseases associated with age?

The Institute currently houses the laboratories of principal investigators recruited for leadership in their respective fields of research. The Institute’s research programs are based on an interdisciplinary approach, involving complementary areas of inquiry:

- The genetics and biochemistry of aging including oxidative stress, mitochondrial function and genetic determination of lifespan.
- Age-related conditions including cancer, stroke, diabetes, cardiovascular disease, osteoporosis, macular degeneration, Alzheimer’s disease and Parkinson’s disease.
- Regenerative medicine (stem cell research) and aging.
- New technology to support age-related research including genomics, morphology, proteomics, metabolomics and bioinformatics.

The Borrower has requested that CSCDA issue up to \$95 million in revenue bonds to: (1) refund The Buck Institute's outstanding Series 2001 and Series 2010 Bonds, (2) fund a debt service reserve fund, (3) fund working capital and (4) pay for certain costs of issuance. The Series 2001 variable rate demand bonds are supported by an irrevocable direct pay letter of credit from US Bank and the Series 2010 variable rate bonds are bank qualified bonds currently held by US Bank. This is the Authority's first financing with the Institute.

Public Benefit:

The Institute considers education and training at all levels a key component of its research program. One of the most important functions is to encourage the career development of the next generation of age researchers. The Institute sponsors a series of informal (intramural) and formal (extramural) research seminars that include international and national scientific symposia for the aging research community. The Science Education Program allows high school and college students to work side by side with researchers to enhance learning and encourage students interested in entering the field of science. In addition, the Institute conducts public seminars on various topics related to aging for San Francisco Bay Area residents. Docent-led public tours are also conducted on a weekly basis.

Additionally, the Institute is a job generator for Marin County, employing over 300 people at their facility.

TEFRA Information:

TEFRA is scheduled for October 28, 2014 in the City of Novato.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Investment Banker: Cain Brothers & Company, LLC, San Francisco

Financing Structure:

The Bonds will be publically offered by Cain Brothers. The interest rate will be fixed for thirty years at approximately 5% and offered in \$5,000 denominations. The Bonds are expected to be insured by Assured Guaranty Municipal Corporation (rated AA by S&P and A2 by Moody's). The Bonds are expected to have an underlying rating of A+ by S&P. The proposed issuance is in accordance with CSCDA's issuance guidelines.

Estimated Sources and Uses:

Sources:

Bond Proceeds	\$	85,755,000	92.56%
Net Premium	\$	5,143,894	5.55%
2001 DSRF	\$	<u>1,750,000</u>	<u>1.89%</u>
Total Sources:	\$	92,648,894	100.00%

Uses:

Refinance Series 2001 Bonds	\$	50,600,000	54.61%
Refinance Series 2010 Bonds	\$	29,575,000	31.92%
Debt Service Reserve Fund	\$	5,377,922	5.80%
Operating Reserve Fund	\$	5,377,922	5.80%
Cost of Issuance	\$	<u>1,718,050</u>	<u>1.85%</u>
Total Uses:	\$	92,648,894	100.00%

Executive Director Review and Recommendation:

The Executive Director has reviewed the Buck Institute transaction and based on the overall Project public benefit and finance related considerations detailed above and compliance with CSCDA's general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission subject to an approved TEFRA by City of Novato, which:

1. Approves the granting of the Obligation;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment:

1. Original application

Applicant Information

Primary Contact E-mail: jwlach@cainbrothers.com

Organization

Name of Organization: **Buck Institute for Research on Aging**

TIN or EIN:

Primary Contact

First Name: **Mary**

Last Name: **McEachron**

Title: **CAO & General Counsel**

Street: **8001 Redwood Blvd**

Suite:

City: **Novato**

State: **California**

Zip: **94945**

Phone: **415-209-2200**

Ext:

Fax:

Email: **mmceachron@buckinstitute.org**

Primary Billing Contact

Organization: **Buck Institute for Research on Aging**

First Name: **Mary**

Last Name: **McEachron**

Title: **CAO & General Counsel**

Address:

Street: **8001 Redwood Blvd**

Suite:

City: **Novato**

State: **California**

Zip: **94945**

Phone: **415-209-2200**

Ext:

Fax:

Email: **mmceachron@buckinstitute.org**

Project Information

Project type: **Research**

Other: **Research**

Project Name: **Buck Institute for Research on Aging**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **Buck Institute for Research on Aging**

Facility Bond Amount: **\$80,240,000.00**

Project Address:

Street: **8001 Redwood Blvd**

City: **Novato**

State: **California**

Zip: **94945**

County: **Marin**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 80,240,000.00
Taxable: \$
Total Principal Amount: \$ 80,240,000.00
Maturity 30Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: \$5,000

Type of Offering:

☒ Public Offering ☐ Private Placement
☐ New Construction ☒ Acquisition of Existing Facility
☒ Refunding

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☐ Unrated

Moody's:

S&P:

A+

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: **John**

Last Name: **Knox**

Title: **Partner**

Address:

Street: **405 Howard Street**

City: **San Francisco**

State: **California**

Suite:

Zip: **94105**

Phone: **415-773-5626**

Ext:

Fax:

Email: **jknox@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Cain Brothers & Company, LLC

Primary Contact

First Name: **Bill**

Last Name: **Pomeranz**

Title: **Managing Director**

Address:

Street: **601 California Street**

City: **San Francisco**

State: **California**

Suite: **Suite 1505**

Zip: **94108**

Phone: **415-962-2954**

Ext:

Fax: **415-398-3365**

Email: **bpomeranz@cainbrothers.com**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$95,000,000 TO FINANCE AND
REFINANCE THE CONSTRUCTION, IMPROVEMENT, RENOVATION AND
EQUIPPING OF A RESEARCH FACILITY AND RELATED PROPERTY FOR THE
BUCK INSTITUTE FOR RESEARCH ON AGING AND OTHER MATTERS
RELATING THERETO**

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

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

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

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

WHEREAS, the City of Novato (the "City") is a Program Participant, and such City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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

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

WHEREAS, the Buck Institute for Research on Aging, a California nonprofit public benefit corporation (the “Corporation”), wishes to finance and refinance the construction, improvement, renovation and equipping of a research facility (the “Project”) owned and operated by the Corporation and located in the City;

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

WHEREAS, pursuant to an Indenture (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Buck Institute for Research on Aging) Series 2014 (the “Bonds”) for the purpose, among others, of financing and refinancing the Project;

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

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Purchase Contract”), among Cain Brothers & Company, LLC, as underwriter (the “Underwriter”), the Authority and the Corporation, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project, to fund a debt service reserve account, to fund certain working capital expenditures and to pay costs incurred in connection with the issuance of the Bonds;

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of official statement (the “Official Statement”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Bonds (Buck Institute for Research on Aging) Series 2014” in an aggregate principal amount not to exceed ninety-five million dollars (\$95,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized

pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

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

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

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

directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

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

Section 9. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 23rd day of October, 2014.

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 23, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item V.

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

- c. 899 Charleston (Moldaw Residences), City of Palo Alto, County of Santa Clara; up to \$75 million in revenue refunding bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	OCTOBER 23, 2014
APPLICANT:	899 CHARLESTON, DBA MOLDAW RESIDENCES
AMOUNT:	UP TO \$75 MILLION OF REVENUE BONDS
PURPOSE:	FINANCE AND/OR REFINANCE REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, EQUIPPING AND FURNISHING OF A CONTINUING CARE RETIREMENT COMMUNITY
PRIMARY ACTIVITY:	CONTINUING CARE RETIREMENT COMMUNITY
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

899 Charleston, doing business as Moldaw Residences (the “Corporation”), is a California nonprofit public benefit corporation that operates a continuing care retirement community known as Moldaw Residences, located at 899 East Charleston Road in Palo Alto (the “Project” or “Moldaw”).

Moldaw is part of the approximate 8.6 acre site of the Taube Koret Campus for Jewish Life (the “Campus”), a mixed-use, intergenerational complex that includes Moldaw, the Oshman Family Jewish Community Center (“OFJCC”), the regional headquarters for the Jewish Community Federation of the San Francisco, Peninsula, Marin and Sonoma Counties, and offices for other area non-profits. The amenities of OFJCC, such as fitness, educational, and cultural space, are available to Moldaw residents. The campus plan reflects a pedestrian-friendly village environment, integrating senior living with community center facilities serving all age groups. Outdoor “rooms” in Palo Alto’s mild Mediterranean-like climate provide additional space for program and social/recreational activities. The parking for the entire campus is provided at ground level underneath the buildings, which range from two to four stories.

Moldaw includes 170 independent living units, 12 assisted living units, and 12 memory support units. Skilled nursing is provided through arrangements with the Jewish Home of San Francisco (the “Home”) on a priority-access basis, or through arrangements with local skilled nursing facilities, such as Saratoga Retirement Community. This is the Authority’s first financing with the Corporation.

In 2007, the Association of Bay Area Governments Finance Authority issued \$165,805,000 Variable Rate Revenue Bonds to finance the construction of the Project. The Borrower is requesting CSCDA to issue up to \$75,000,000 in revenue refunding bonds (the “Bonds”) that, together with other funds on hand, to refinance the outstanding 2007 Bonds, in addition to loans from Bank of America, the Home, and the Jewish Home and Senior Living Foundation (the “Foundation”), as well as fund a debt service reserve fund and pay for costs of issuance.

Public Benefit:

Moldaw participates in the City of Palo Alto’s Below Market Rate Program, making its community more accessible to all seeking the vibrant retirement lifestyle its facility offers. Through this program,

Moldaw offers a limited number of apartments available under a special contract option that offers value-priced entrance and monthly fee services. Below Market Rate is not a low-income housing or a subsidized program, but it is designed for people with a more moderate asset base and income. Fifty percent of the entrance fee is returned to the resident or their estate after vacating and leaving the community and a new resident closes on the apartment. There are no real estate-related commissions or property taxes involved. Residency in Palo Alto is not required. Given the exorbitant living and housing costs in Palo Alto, the Below Market Rate provides a significant public benefit to those who might not otherwise have access to the quality of retirement life that Moldaw offers.

TEFRA Information:

TEFRA is scheduled for November 4, 2014 in Santa Clara County.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Portland
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Investment Banker: Cain Brothers & Company, LLC, San Francisco

Financing Structure:

The Bonds will be publicly offered by Cain Brothers. The interest rate will be fixed for thirty-five (35) years at total overall cost of approximately 5.4% and offered in \$25,000 denominations. The Bonds are expected to be unrated. The proposed issuance is in accordance with CSCDA's issuance guidelines.

Estimated Sources and Uses:

Sources:

Bond Proceeds	\$	72,533,941	82.28%
Support Agreement	\$	6,000,000	6.81%
Cash at Closing	\$	640,000	0.73%
2007 DSRF	\$	<u>8,978,388</u>	<u>10.19%</u>
Total Sources:	\$	88,152,329	100.00%

Uses:

Refund Series 2007 Bonds	\$	59,185,000	67.14%
Refund Bank of America Term Loan	\$	14,921,227	16.93%
Debt Service Reserve Fund	\$	4,634,113	5.26%
Cost of Issuance	\$	2,000,000	2.27%
Jewish Home Note Repayment	\$	410,000	0.47%
Foundation Partial Loan Repayment	\$	1,000,000	1.13%
Support Agreement	\$	6,000,000	6.81%
Additional Proceeds	\$	<u>1,989</u>	<u>0.00%</u>
Total Uses:	\$	88,152,329	100.00%

Executive Director Review and Recommendation:

The Executive Director has reviewed the Moldaw transaction and based on the overall Project public benefit and finance related considerations detailed above and compliance with CSCDA's general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the granting of the Obligation;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment:

1. Original application

Applicant Information

Primary Contact E-mail: jrobbins@cainbrothers.com

Organization

Name of Organization: **899 Charleston dba Moldaw Residences**

TIN or EIN:

Primary Contact

First Name: **Daniel**

Last Name: **Ruth**

Title: **Jewish Senior Living Group - Chief Executive Officer**

Street: **302 Silver Avenue**

Suite:

City: **San Francisco**

State: **California**

Zip: **94112**

Phone: **415-562-2675**

Ext:

Fax: **415-627-7390**

Email: **druth@jewishseniorlivinggroup.org**

Primary Billing Contact

Organization: **899 Charleston dba Moldaw Residences**

First Name: **Victor**

Last Name: **Meinke**

Title: **Vice President - Planning, Operations and New Ventures**

Address:

Street: **302 Silver Avenue**

Suite:

City: **San Francisco**

State: **California**

Zip: **94112**

Phone: **415-562-2690**

Ext:

Fax: **510-559-0818**

Email: **vmeinke@jewishseniorlivinggroup.org**

Project Information

Project type: **Healthcare: Continuing care**

Other:

Project Name: **899 Moldaw Residences**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **899 Moldaw Residences**

Facility Bond Amount: **\$72,425,000.00**

Project Address:

Street: **899 Charleston Road**

City: **Palo Alto**

State: **California**

Zip: **94303**

County: **Santa Clara County**

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

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

Name of Agency: **County of Santa Clara Treasury Division**

First Name: **Paul**

Last Name: **McDonough**

Title: **Securities Analyst**

Phone: **408-299-6750**

Ext:

Fax:

Email: **paul.mcdough@fin.sccgov.org**

Government Information

Project/Facility is in:

Congressional District #:

18

State Senate District #:

13

State Assembly District #:

24

Financing Information

Financing Information

Tax Exempt: \$ 72,425,000.00
Taxable: \$
Total Principal Amount: \$ 72,425,000.00
Maturity 35Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: \$25,000

Type of Offering:

☒ Public Offering ☐ Private Placement
☐ New Construction ☒ Acquisition of Existing Facility
☒ Refunding

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Douglas

Last Name: Goe

Title: Partner

Address:

Street: 1120 NW Couch Street

Suite: Suite 200

City: Portland

State: Oregon

Zip: 97209

Phone: 503-943-4810

Ext:

Fax: 503-943-4801

Email: dgoe@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Cain Brothers & Company, LLC

Primary Contact

First Name: Bill

Last Name: Pomeranz

Title: Managing Director

Address:

Street: 601 California Street

Suite: 1505

City: San Francisco

State: California

Zip: 94108

Phone: 415-962-2954

Ext:

Fax: 415-962-2954

Email: bpomeranz@cainbrothers.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE REFUNDING
BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000
TO REFUND CERTAIN DEBT OBLIGATIONS USED TO FINANCE AND/OR
REFINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING AND
FURNISHING OF A CONTINUING CARE RETIREMENT FACILITY BY 899
CHARLESTON, DOING BUSINESS AS MOLDAW RESIDENCES; AND OTHER
MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, the 899 Charleston, doing business as Moldaw Residences, a California nonprofit public benefit corporation (the “Corporation”), wishes to finance and refinance the following projects (collectively, the “Project”): (i) refunding, on a current basis, the ABAG Finance Authority for Nonprofit Corporations Variable Rate Revenue Bonds (899 Charleston Project) Series 2007, and certain other outstanding loans benefitting the Corporation, which financed and refinanced a portion of the costs of acquiring, constructing, equipping, furnishing of, and paying initial operating expenditures for the Corporation’s continuing care retirement facility known as Moldaw Residences and related facilities; (ii) funding a debt service reserve fund; and (iii) paying certain expenses incurred in connection with costs of issuing the Bonds (as defined below);

WHEREAS, the Facilities are owned by the Corporation, are operated and managed by PRS Management & Consulting, LLC and are located in Santa Clara County;

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

WHEREAS, pursuant to an Indenture of Trust (the “Indenture”), between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Revenue Refunding Bonds (899 Charleston Project), Series 2014, in one or more series (the “Bonds”), for the purpose, among others, of financing and refinancing the Project;

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

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Purchase Contract”), among Cain Brothers & Company, LLC, as underwriter (the “Underwriter”), the Authority and the Corporation, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project;

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

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

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

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Refunding Bonds (899 Charleston Project), Series 2014” in one or more series, in an aggregate principal amount not to exceed seventy-five million dollars (\$75,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

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

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

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

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

Section 9. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the County has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project; provided that the Underwriter may distribute the preliminary Limited Offering Memorandum pursuant to Section 6 hereof.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 23rd day of October, 2014.

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 23, 2014.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

Item V.

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

- d. California College of the Arts, City of San Francisco, County of San Francisco, City of Oakland, County of Alameda; up to \$26 million in obligations. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	OCTOBER 23, 2014
APPLICANT:	THE CALIFORNIA COLLEGE OF THE ARTS
AMOUNT:	UP TO \$26 MILLION OF TAX-EXEMPT OBLIGATIONS
PURPOSE:	REFINANCING OF SERIES 2005 & 2007 CEFA BONDS
PRIMARY ACTIVITY:	HIGHER EDUCATION
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

The California College of the Arts (the “College”), founded in 1907, has been distinguished by its recognition of the craft art forms as fine arts and for its interdisciplinary approaches to the fields of art, architecture, and design. In design, “West Coast Imagery” is largely the product of designers associated with the College for the last two decades. In architecture, the College has created a new American architecture school, accredited by the National Architectural Accrediting Board. The College maintains fully two campuses located in Oakland and San Francisco, California. The curriculum is designed to educate artists, not just to train specialists; thus, the College also has extensive requirements in humanities and sciences.

The College is located on two campuses, one in Oakland and the other in San Francisco. The Oakland campus is comprised of 17 buildings totaling approximately 200,000 square feet of space on 4.4 acres. The Oakland campus houses the majority of departments in Fine Arts, the Humanities and Sciences (including Writing and Literature, Visual Studies), as well as the First Year Program. Fine Arts departments include: Sculpture, Jewelry/Metal Arts, Glass, Photography, Animation, Drawing and Painting, Ceramics, Printmaking, and Textiles.

The Oakland campus provides housing for approximately 260 students. 185 students are housed on-campus. An additional 75 students are provided housing in 20,000 square feet owned by the college near campus. The college has leased space adjacent to the Oakland campus for an expanded student exhibition program and student counseling offices.

The San Francisco campus is comprised of 6 buildings totaling approximately 250,000 gross square feet. In 2011, the college acquired 102,000 square foot lot adjacent to the main building on the San Francisco campus. This acquisition brings the college’s total land holdings in San Francisco to 6.6 acres.

The College’s accreditation was reaffirmed in June 2009 by the Western Association of Schools and Colleges. The College is also accredited by the National Association of Schools of Art and Design (NASAD), the National Architectural Accrediting Board (NAAB), and the Council for Interior Design (CIDA).

The College is seeking up to \$26 million in a tax-exempt nonprofit loan (the "Obligation") from First Republic Bank (the "Lender") to refund the series 2005 & 2007 California Educational Facilities Authority bonds. The refunding is being done solely for debt service savings due to a substantially lower interest rate.

The Borrower's application was submitted to CSCDA on June 25, 2014. This is the colleges first financing with CSCDA.

Attachment 1

Benefits:

- Approximately 86% of all students at the College receive some form of financial aid. Total Financial assistance to College students for the current academic year is estimated to be in excess of \$20 million.
- The College has a 403(b) Tax Sheltered Annuity (TSA) and a Salary Reduction Annuity (SRA) Plan for its employees. Plan Participants direct how their contributions and balances are to be invested and reinvested. There are various methods by which benefits may be distributed under the Plan. Employees contribute to the Salary Reduction Annuity (SRA) through written salary reduction agreements. The College's employer contribution is presently 5% of annual compensation as defined under the Plan. In fiscal year 2013, College employer contributions to the Plan totaled \$752,000.

TEFRA Information:

A TEFRA hearing was held by the City & County of San Francisco on October 3, 2014 & was approved. The approval of the financing by the Board of Supervisors of the City /County of San Francisco is a condition precedent to the approval of the financing by CSCDA. A TEFRA hearing was held by the County of Alameda on October 14, 2014 and received unanimous approval.

Finance Team:

- Tax / Lender Counsel: Hawkins Delafield & Wood LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: First Republic Bank, San Francisco

Financing Structure:

The unrated Obligation will mature in no more than 30 years and bear a fixed interest rate of 3.50% for the refunding of the 2005 bonds. The unrated Obligation will mature in no more than 30 years and bear a fixed interest rate of 3.00% for the refunding of the 2007 bonds. The savings due to the lower interest rate of the 2005 bonds is estimated at \$3.7 million and of the 2007 bonds at \$300,000. The Obligation will be privately placed with First Republic Bank and may be transferred only to qualified institutional buyers. The proposed issuance is in accordance with CSCDA's issuance guidelines.

Estimated Sources and Uses for 2005 bonds:

Sources:

Par Amount	\$18,295,000.00
DSR Funds	<u>\$1,482,556.26</u>
Total Sources:	<u>\$19,777,556.26</u>

Uses:

Bank Origination Fee Draw	\$68,606.25
Costs of Issuance Draw	\$245,000.00
Redemption Current Refunding Fund	\$18,998,375.00
Interest payment on 2005 Bond	\$463,375.00
Rounding Amount	<u>\$2,200.01</u>
Total Uses:	<u>\$19,777,556.26</u>

Estimated Sources and Uses for 2007 bonds:

Sources:

Par Amount	\$6,680,000.00
Total Sources:	<u>\$6,680,000.00</u>

Uses:

Bank Origination Fee Draw	\$25,050.00
Costs of Issuance	\$50,000.00
Deposit to Current Refunding Fund	\$6,601,000.00
Rounding Amount	<u>\$3,950.00</u>
Total Uses:	<u>\$6,680,000.00</u>

Executive Director Review and Recommendation:

The Executive Director has reviewed the California College of the Arts transaction and based on the overall Project public benefit and finance related considerations detailed on Attachment 1 and compliance with CSCDA's general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the granting of the Obligation;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachments:

1. Original application

Applicant Information

Primary Contact E-mail: rdeprospo@sternbrothers.com

Organization

Name of Organization: **California College of the Arts**

TIN or EIN:

Primary Contact

First Name: **Laura**

Last Name: **Hazlett**

Title: **SVP for Finance and Administration**

Street: **1111 Eight Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94107**

Phone: **510-594-3688**

Ext:

Fax:

Email: **lhazlett@cca.edu**

Primary Billing Contact

Organization: **California College of the Arts**

First Name: **Laura**

Last Name: **Hazlett**

Title: **SVP for Finance and Administration**

Address:

Street: **1111 Eight Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94107**

Phone: **510-594-3688**

Ext:

Fax:

Email: **lhazlett@cca.edu**

Project Information

Project type: **Education: College/Universities**

Other:

Project Name: **Refinancing of Series 2005 CEFA Bonds**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **California College of the Arts**

Facility Bond Amount: **\$20,000,000.00**

Project Address:

Street: **1111 Eight Street**

City: **San Francisco**

State: **California**

Zip: **94107**

County: **San Francisco**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info

For Private School Facility Only:

Tuition assistance:

Total tuition:

Part reimbursed:

% students receiving 50% tuition assistance:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 20,000,000.00
Taxable: \$
Total Principal Amount: \$ 20,000,000.00
Maturity 21Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: **Various**

Type of Offering:

☐ Public Offering ☒ Private Placement
☐ New Construction ☒ Acquisition of Existing Facility
☒ Refunding

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser: **First Republic Bank**

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Hawkins, Delafield & Wood

Primary Contact

First Name: Sean

Last Name: Tierney

Title: Partner

Address:

Street: One Embarcadero Center

Suite: 3820

City: San Francisco

State: California

Zip: 94111

Phone: 415-486-4201

Ext:

Fax:

Email: stierney@hawkins.com

Bank/Underwriter/Bond Purchaser

Firm Name: First Republic Bank

Primary Contact

First Name: Dirk

Last Name: ten Grotenhuis

Title: Managing Director

Address:

Street: 111 Pine Street

Suite: 9th Floor

City: San Francisco

State: California

Zip: 94111

Phone: 415-392-1400

Ext:

Fax:

Email: dteng@firstrepublic.com

Financial Advisor

Firm Name: Stern Brothers & Co., Inc.

Primary Contact

First Name: Richard

Last Name: DeProspero

Title: Managing Director

Address:

Street: 14724 Ventura Blvd.

Suite: 809

City: Sherman Oaks

State: California

Zip: 91403

Phone: 818-906-4452

Ext:

Fax:

Email: rdeprospero@sternbrothers.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. ____ NP-____

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF AN OBLIGATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$26,000,000, TO PAY DEBT SERVICE AND THE REDEMPTION PRICE OF CERTAIN OUTSTANDING BONDS OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY, FINANCE AND/OR REFINANCE CERTAIN CAPITAL EXPENDITURES OF THE CALIFORNIA COLLEGE OF THE ARTS, AND OTHER MATTERS RELATING THERETO

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

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

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

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

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

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

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

WHEREAS, California College of the Arts, a California nonprofit public benefit corporation (the "Corporation"), wishes to finance: (1) the payment of debt service and the redemption price of the \$18,535,000 California Educational Facilities Authority ("CEFA") Revenue Bonds (California College of the Arts), Series 2005 (the "2005 Bonds") and the portion of CEFA's outstanding \$37,765,000 Revenue Bonds (College and University Financing Program), Series 2007, allocable to the Corporation (the "2007 Bonds," and together with the 2005 Bonds, the "Refunded Bonds"), the proceeds of which Refunded Bonds were used to finance or refinance the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the Corporation's facilities located at 1111 Eighth Street, San Francisco, California (the "San Francisco Campus") and 5212 Broadway, Oakland, California (the "Oakland Campus"), (2) pay and/or reimburse the Corporation for miscellaneous capital expenditures related to the acquisition, construction, improvement and equipping of the Oakland Campus and/or the San Francisco Campus, and (3) pay various costs of issuance and other related costs (collectively, the "Project");

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and/or refinancing the Project;

WHEREAS, pursuant to a Master Loan Agreement to be executed by First Republic Bank (the "Lender"), the Authority and the Corporation (the "Master Loan Agreement"), the Authority will make a tax-exempt loan to the Corporation in a principal amount not exceeding \$26,000,000 (the "Obligation"), for the purpose of financing and/or refinancing the Project;

WHEREAS, pursuant to the policies of the Authority, the Obligation may only be assigned to Qualified Institutional Buyers (as defined in the Master Loan Agreement) and the Lender will sign an investor letter confirming that it is a Qualified Institutional Buyer and certain other related matters;

WHEREAS, there has been made available to the Commissioners of the Authority the proposed form of the Master Loan Agreement.

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

Section 1. Pursuant to the Act and the Master Loan Agreement, the Authority is hereby authorized to issue the Obligation in an aggregate principal amount not to exceed Twenty-Six Million Dollars (\$26,000,000). The Obligation shall be issued and secured in accordance with the terms of the Master Loan Agreement.

Section 2. The proposed form of Master Loan Agreement, as made available to the Commissioners, is hereby approved. Any member of the Commission of the Authority or

their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each an "Authorized Signatory") is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, tender provisions, and other terms of the Obligation shall be as provided in the Master Loan Agreement, as finally executed.

Section 3. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Obligation, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 4. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Obligation are hereby ratified, confirmed and approved.

Section 5. Notwithstanding anything to the contrary in this resolution, no documents referenced in this resolution may be executed and delivered until each County has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Obligation as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and/or refinancing for the Project.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 23rd day of October, 2014.

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 23, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item V.

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

- e. Olive Villages of Indio, LP (Olive Court Apartments), City of Indio, County of Riverside; up to \$6 million in multi-family housing revenue notes. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE: OCTOBER 23, 2014

APPLICANT: OLIVE VILLAGES OF INDIO, L.P./BARKER MANAGEMENT

AMOUNT: UP TO \$6,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF OLIVE COURT APARTMENTS LOCATED AT 44056 ARABIA STREET IN INDIO, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Olive Court Apartments (the “Project”), is a 77-unit property located in Indio, California. The Project application was filed on November 15, 2013 and induced on November 26, 2013.

Summary:

Olive Villages of Indio, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$6,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 61 two-bedroom units, 14 three-bedroom units, and 2 four-bedroom units to low-income families in Indio.

The Project consists of 13 two-story garden style walk up residential structures on nearly 4 acres of land. The Property amenities include: a community space, playgrounds, two swimming pools, central laundry facilities, security systems and on-site social services. All units include carpeted flooring, central A/C and heating, cable TV hookups, blinds, a range, refrigerator, and garbage disposal.

The rehabilitation will focus on the replacement of costly and long-lived systems and appliances, increased energy efficiency, and enhancement of the visual aspect of the property. There will be a focus on using environmentally friendly materials, locally sourced construction materials and sustainable design practices. The renovation will include a new cool roof, new interior and exterior paint, sidewalk repairs, new low-e windows, installation of solar panels, drywall repairs, and unit repairs/upgrades to lighting fixtures, appliances, and flooring.

The rehabilitation is expected to begin in October 2014 and take approximately 6 months to complete.

The Borrower has previously constructed or rehabilitated over 8 multifamily and senior housing properties, including 4 with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 32 units reserved for tenants whose income is at or below 50% AMI
 - 44 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a grocery store
- Economic Benefits
 - Based upon \$10,627,148.00 Project costs using a 1.8 multiplier the Project produces approximately \$19,128,866.40 total economic activity, and at 2.1 jobs per unit produces approximately 162 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: January 15, 2014, City of Indio, unanimous approval

CDLAC Approval: July 16, 2014

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$5,750,000	54.11%
LIHTC Equity	\$1,502,148	14.14%
Seller's Note	<u>\$3,375,000</u>	<u>31.76%</u>
Total Sources	\$10,627,148	100.00%

Uses:

Acquisition Cost	\$5,000,000	47.05%
Hard Construction Costs	\$2,574,000	24.22%
Architect & Engineering Fees	\$125,000	1.18%
Contractor Overhead & Profit	\$360,360	3.39%
Developer Fee	\$1,229,994	11.57%
Relocation	\$78,000	0.73%
Cost of Issuance	\$252,813	2.38%
Capitalized Interest	\$431,250	4.06%
Other Soft Costs (Marketing, Etc.)	<u>\$575,731</u>	<u>5.42%</u>
Total Uses	\$10,627,148	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Boston Private Bank & Trust

Financing Structure:

The Bonds will be privately placed with Boston Private Bank & Trust. During the construction phase, the bonds will have a variable interest rate of approximately 3.256%. After 24 months, the bonds will convert to the permanent phase for no more than 35 years, bearing fixed interest at 4.85%.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director Review and Recommendation:

The Executive Director has reviewed the Olive Villages of Indio transaction and based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Indio, and conformance to the CSCDA General and Issuance Policies, the Executive Director recommends the Commission approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. City of Indio TEFRA Resolution
3. CDLAC Resolution Exhibit A

Applicant Information

Primary Contact E-mail: ckolbensschlag@barkermgt.com

Name of Developer: **VHJS, LLC**

TIN or EIN: **273516853**

Primary Contact

First Name: **Christopher**

Last Name: **Kolbensschlag**

Title: **Project Development Manager**

Address:

Street: **1101 E Orangewood Ave**

Suite: **200**

City: **Anaheim**

State: **California**

Zip: **92805**

Phone: **7142215605**

Ext:

Fax: **7145338608**

Email: **ckolbensschlag@barkermgt.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Olive Villages of Indio LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **November 2013**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **8**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **8**

Primary Billing Contact

Organization: **Barker Management, Incorporated**

First Name: **Peter**

Last Name: **Barker**

Title: **President**

Address

Street: **1101 E. Orangewood Ave**

Suite: **200**

City: **Anaheim**

State: **California**

Zip: **92805**

Phone: **7145333450**

Ext:

Fax: **7145338608**

Email: **pbarker@barkermgt.com**

Project Information

Project Information

Project Name: **Olive Court Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Prudential 223f Bond Loan**

Facility Bond Amount: \$5,000,000.00

Project Address:

Street: **44056 Arabia Street**

City: **Indio**

State: **California**

Zip: **92201**

County: **Riverside**

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

Total Number of Units:

Market:

Restricted: **78**

Total: **78**

Lot size: **3.62 acres**

Amenities:

community room, childrens play area, common kitchen, two pools, plaza areas and laundry rooms

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

15 wood frame two-story walkup buildings

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name: Jesus

Last Name: Gomez

Title: Housing Programs Manager

Phone: 7605414260

Ext:

Fax: 7603916417

Email: jgomez@indio.org

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	25	717.00	950.00	233.00
2.	2 Bedrooms	60	36	861.00	950.00	89.00
3.	3 Bedrooms	50	7	828.00	1,100.00	272.00
4.	3 Bedrooms	60	8	993.00	1,100.00	107.00
5.	4 Bedrooms	50	1	923.00	1,225.00	302.00
6.	4 Bedrooms	60	1	1,108.00	1,225.00	117.00

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

Government Information

Project/Facility is in:

Congressional District #:

36

State Senate District #:

40

State Assembly District #:

80

Financing Information

Financing Information

Maturity 17 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☒ Public Offering

☐ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FHA Insurance

Name of Credit Enhancement Provider or Private Placement Purchaser: Prudential Mortgage Capital Company

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FHA Insurance

Name of Credit Enhancement Provider or Private Placement Purchaser: Prudential Mortgage Capital Company

Expected Rating:

☐ Unrated

Moody's:

S&P:

Fitch:

Aaa

AAA

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$5,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$3,000,000.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Seller Carry-back	<u>\$2,500,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$10,500,000.00</u>

Uses:

Land Acquisition:	<u>\$320,000.00</u>
Building Acquisition:	<u>\$4,680,000.00</u>
Construction or Remodel:	<u>\$3,000,000.00</u>
Cost of Issuance:	<u>\$720,000.00</u>
Capitalized Interest:	<u>\$205,000.00</u>
Reserves:	<u>\$375,000.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$1,200,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$10,500,000.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 415 Howard Street

City: San Francisco

State: California

Suite:

Zip: 94105

Phone: 4157735908

Ext:

Fax: 4157735759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Prudential Mortgage Capital Company

Primary Contact

First Name: Kenji

Last Name: Tamaoki

Title: Principal

Address:

Street: Four Embarcadero Center

City: San Francisco

State: California

Suite: 2700

Zip: 94502

Phone: 4152915033

Ext:

Fax:

Email: kenji.tamaoki@prudential.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14-84
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-085
3. Project Sponsor: Olive Villages of Indio, L.P. (Lutheran Gardens Corp and VHJS Indio, LLC)
4. Project Management Co.: Barker Management Incorporated
5. Project Name: Olive Court Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Indio, CA
8. Private Placement Purchaser: Red Stone Tax-Exempt Funding LLC
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 77 plus 1 manager unit
11. Total Number of Restricted Rental Units: 77
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 32 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 45 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-84

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.
Not Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
Not Applicable
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
Not Applicable
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.
Not Applicable
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.
Not Applicable

RESOLUTION NO. 14-84

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

RESOLUTION NO. 14-84

Exhibit A

Page 4 of 4

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

Applicable

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

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS OLIVE COURT APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE

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

WHEREAS, Olive Villages of Indio, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue, sell and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Olive Court Apartments Project) 2014 Series U (the “Note”) to assist in the financing of the acquisition, rehabilitation and development of a 78-unit multifamily housing rental development located on two sites in the City of Indio, County of Riverside, California and known as Olive Court Apartments (the “Project”);

WHEREAS, on July 16, 2014, the Authority received an allocation in the amount of \$5,750,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to issue in an aggregate principal amount not to exceed \$6,000,000, provided that the portion of such Note issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Boston Private Bank & Trust Company, or an affiliate thereof (the “Funding Lender”), as the initial holder of the Note;

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

(1) Loan and Security Agreement (the “Loan and Security Agreement”), to be entered into between the Authority, the Borrower and the Funding Lender; and

(2) Regulatory Agreement and Declaration of Restrictive Covenants relating to each site (collectively, the “Regulatory Agreement”), to be entered into between the Borrower and the Authority.

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

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

Section 2. Pursuant to the JPA Law and the Loan and Security Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Olive Court Apartments Project), 2014 Series U” including, if and to the extent necessary, one or more sub-series with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$6,000,000; provided that the aggregate principal amount of any tax-exempt Note issued shall not exceed the Allocation Amount. The Note shall be issued in the form set forth in and otherwise in accordance with the Loan and Security Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory (as defined below). The Note shall be issued and secured in accordance with the terms of the Loan and Security Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made

solely from amounts pledged thereto under the Loan and Security Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Loan and Security Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Loan and Security Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond October 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Loan and Security Agreement as finally executed.

Section 4. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Loan and Security Agreement.

Section 6. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust and loan documents, an endorsement and/or assignment of promissory note and such other documents as described in the Loan and Security Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions

heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 7. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Loan and Security Agreement and other documents approved herein.

Section 8. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 23, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 23, 2014.

By _____
Authorized Signatory

Item V.

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

- f. Santa Fe Hesperia AR, LP (Santa Fe Apartments), City of Hesperia, County of San Bernardino; up to \$4,890,000 in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: OCTOBER 23, 2014

APPLICANT: SANTA FE HESPERIA AR, L.P./HIGHBRIDGE COSTA HOUSING PARTNERS, LLC

AMOUNT: UP TO \$4,890,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF SANTA FE APARTMENTS LOCATED AT 16576 SULTANASTREET IN HESPERIA, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Santa Fe Apartments (the "Project"), is an 89-unit property located in Hesperia, California. The Project application was filed on June 5, 2014 and induced on June 12, 2014.

Summary:

Santa Fe Hesperia AR, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$4,890,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 16 one-bedroom units, 16 two-bedroom units, 49 three-bedroom units and 8 four-bedroom units to low-income families in Hesperia.

The Project, located on approximately 6 acres of land, was initially constructed in 1999. The Property offers residents access to a clubhouse/meeting room, business center, playground, swimming pool and central laundry facilities. All units include a patio or balcony, blinds, carpeted flooring, central heating and A/C, a range, refrigerator, dishwasher and garbage disposal.

The community will be redeveloped in one phase and not require any relocation of current residents. During the rehabilitation, the developer will replace: attic insulation, water heaters to high efficiency gas units and refrigerators and dishwashers with energy star models. Additionally, handicap ramps will be replaced, asphalt will be repaired, sod will be removed and replaced with desert scape landscaping, all exterior buildings will be repainted and solar will be installed.

The rehabilitation is expected to begin in January 2015 and take approximately 6 months to complete.

The Borrower has previously constructed or rehabilitated over 30 multifamily and senior housing properties, including 6 with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 36 units reserved for tenants whose income is at or below 50% AMI
 - 52 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a public school
- Economic Benefits
 - Based upon \$7,256,400.00 Project costs using a 1.8 multiplier the Project produces approximately \$13,061,520.00 total economic activity, and at 2.1 jobs per unit produces approximately 187 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: August 6, 2014, City of Hesperia, unanimous approval

CDLAC Approval: September 17, 2014

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$4,890,000	67.39%
Low Income Housing Tax Credit Equity	\$134,082	1.85%
Seller Note	\$1,295,545	17.85%
Operating Cash Flow	<u>\$936,773</u>	<u>12.91%</u>
Total Sources	\$7,256,400	100.00%

Uses:

Acquisition Cost	\$4,700,000	64.77%
Hard Construction Costs	\$937,170	12.92%
Architect & Engineering Fees	\$72,537	1.00%
Contractor Overhead & Profit	\$124,600	1.72%
Developer Fee	\$837,114	11.54%
Capitalized Interest	\$114,693	1.58%
Cost of Issuance	\$127,895	1.76%
Other Soft Costs (Marketing, Etc.)	<u>\$342,391</u>	<u>4.72%</u>
Total Uses	\$7,256,400	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: America First Multifamily Investors, LP

Financing Structure:

The Bonds will be privately placed with America First Multifamily Investors, LP. During the construction phase, the bonds will have a fixed interest rate of approximately 5.67%. After approximately 6 months, the bonds will convert to the permanent phase for no more than 35 years, bearing interest at approximately 5.75%.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director Review and Recommendation:

The Executive Director has reviewed the Santa Fe Apartments transaction and based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Hesperia, and conformance to the CSCDA General and Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. City of Hesperia TEFRA Resolution
3. CDLAC Resolution Exhibit A

Applicant Information

Primary Contact E-mail: peggy.lichthart@housingpartners.com

Name of Developer: **Highridge Costa Housing Partners, LLC**

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address:

Street: **330 W. Victoria Street**

City: **Gardena**

State: **California**

Suite:

Phone: **424-258-2808**

Ext:

Zip: **90248**

Email: **peggy.lichthart@housingpartners.com**

Fax: **424-258-2809**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Santa Fe Hesperia AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **4/29/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

Primary Billing Contact

Organization: **Highridge Costa Housing Partners, LLC**

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address

Street: **330 W. Victoria Street**

City: **Gardena**

State: **California**

Suite:

Phone: **424-258-2808**

Ext:

Zip: **90248**

Email: **peggy.lichthart@housingpartners.com**

Fax: **424-258-2809**

Project Information

Project Information

Project Name: **Santa Fe Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Santa Fe Apartments**

Facility Bond Amount: \$4,880,000.00

Project Address:

Street: **16576 Sultana Street**

City: **Hesperia**

State: **California**

Zip: **92345**

County: **San Bernardino**

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

Total Number of Units:

Market: **1**

Restricted: **88**

Total: **89**

Lot size: **260,053 sq. ft or 5.97 acres**

Amenities:

Santa Fe offers a business center, a clubhouse, central laundry facilities, on-site management, a playground, recreation areas including a basketball court and picnic area, and a swimming pool. Perimeter fencing.

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

11 two-story residential buildings in addition to a single two-story community building. 89 one, two, three and four bedroom units. The buildings are wood frame construction with stucco siding and pitched roofs.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	7	444.00	687.00	-243.00
2.	1 Bedroom	60	9	570.00	687.00	-117.00
3.	2 Bedrooms	50	7	523.00	1,023.00	-500.00
4.	2 Bedrooms	60	9	673.00	1,023.00	-350.00
5.	3 Bedrooms	50	19	596.00	1,212.00	-616.00

6.	3 Bedrooms	60	3	596.00	1,212.00	-616.00
7.	3 Bedrooms	50	26	770.00	1,212.00	-442.00
8.	4 Bedrooms	50	3	643.00	1,350.00	-707.00
9.	4 Bedrooms	60	5	837.00	1,350.00	-513.00

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

Government Information

Project/Facility is in:

Congressional District #:

41

State Senate District #:

21

State Assembly District #:

59

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$4,880,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$134,128.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Income during construction	<u>\$193,668.00</u>
Costs paid at conversion	<u>\$842,729.00</u>
Seller note	<u>\$1,189,923.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$7,240,448.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$4,700,000.00</u>
Construction or Remodel:	<u>\$1,014,600.00</u>
Cost of Issuance:	<u>\$127,751.00</u>
Capitalized Interest:	<u>\$115,802.00</u>
Reserves:	<u>\$153,751.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$842,729.00</u>
TCAC/CDLAC Application Fees	<u>\$58,581.00</u>
Construction Contingency	<u>\$47,170.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$130,064.00</u>
Total Uses:	<u>\$7,240,448.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investors, L.P.

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: aschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14-99
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-103
3. Project Sponsor: Santa Fe Hesperia AR, LP (WCH Affordable XI, LLC & HCHP Affordable Multi-Family, LLC)
4. Project Management Co.: ConAm Management Corporation
5. Project Name: Santa Fe Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Hesperia, CA
8. Private Placement Purchaser: America First Tax Exempt Investors, LP
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: **88** plus 1 manager unit
11. Total Number of Restricted Rental Units: **88**
12. The term of the income and rental restrictions for the Project will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least **36** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least **52** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-99

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 56 three-bedroom or larger units.
Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
Not Applicable
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
Not Applicable
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.
Not Applicable
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.
Not Applicable

RESOLUTION NO. 14-99

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

RESOLUTION NO. 14-99

Exhibit A

Page 4 of 4

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 014H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,890,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS SANTA FE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Santa Fe Hesperia AR, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 89-unit multifamily rental housing development located in the City of Hesperia, California and known as Santa Fe Apartments (the “Project”);

WHEREAS, on September 17, 2014, the Authority received allocations in the amounts of \$4,890,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to issue not to exceed \$4,890,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Santa Fe Apartments Project) 2014 Series R-1 (the “Series R-1 Bonds”) and its Subordinate Multifamily Housing Revenue Bonds (Santa Fe Apartments Project) 2014 Series R-2 (the “Series R-2 Bonds” and together with the Series R-1 Bonds, the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with America First Multifamily Investors, L.P., or an affiliate thereof (the “Purchaser”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue two or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Santa Fe Apartments Project) 2014 Series R-1” and “California Statewide Communities Development Authority Subordinate Multifamily Housing Revenue Bonds (Santa Fe Apartments Project) 2014 Series R-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$4,890,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative

delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond November 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 23, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 23, 2014.

By _____
Authorized Signatory

Item V.

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

- g. Montclair Lemoore AR, LP (Montclair Apartments), City of Lemoore, County of Kings; up to \$3,525,000 in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: OCTOBER 23, 2014

APPLICANT: MONTCLAIR LEMOORE AR, L.P./HIGHBRIDGE COSTA HOUSING PARTNERS, LLC

AMOUNT: UP TO \$3,525,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF MONTCLAIR APARTMENTS LOCATED AT 150 SOUTH 19TH AVENUE IN LEMOORE, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Montclair Apartments (the “Project”), is an 80-unit property located in Lemoore, California. The Project application was filed on June 6, 2014 and induced on June 26, 2014.

Summary:

Montclair Lemoore AR, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$3,525,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 32 two-bedroom units and 48 three-bedroom units to low-income families in Lemoore.

The Project, located on approximately 7 acres of land, was initially constructed in 1999. The Property offers residents access to a clubhouse/meeting room, courtyard/picnic area, swimming pool and central laundry facilities. All units include blinds, carpeted and vinyl flooring, central heating and A/C, a range, refrigerator, dishwasher and garbage disposal.

The community will be redeveloped in one phase and not require any relocation of current residents. During the rehabilitation, the developer will replace water heaters and roofs, repair parking lots, replace ducts, construct a fence around the pool, paint buildings, remove trees and replace various appliances.

The rehabilitation is expected to begin in January 2015 and take approximately 6 months to complete.

The Borrower has previously constructed or rehabilitated over 30 multifamily and senior housing properties, including 6 with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 32 units reserved for tenants whose income is at or below 50% AMI
 - 47 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a park
 - The Project is located within ½ mile of a grocery store
 - The Project is located within ½ mile of a public school
- Economic Benefits
 - Based upon \$5,403,010.00 Project costs using a 1.8 multiplier the Project produces approximately \$9,725,418.00 total economic activity, and at 2.1 jobs per unit produces approximately 168 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: July 15, 2014, City of Lemoore

CDLAC Approval: September 17, 2014

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$3,525,000	65.24%
Low Income Housing Tax Credit Equity	\$89,420	1.66%
Seller Note	\$1,008,111	18.66%
Operating Cash Flow	<u>\$780,479</u>	<u>14.45%</u>
Total Sources	\$5,403,010	100.00%

Uses:

Acquisition Cost	\$3,320,000	61.45%
Hard Construction Costs	\$842,400	15.59%
Architect & Engineering Fees	\$48,625	0.90%
Contractor Overhead & Profit	\$112,000	2.07%
Developer Fee	\$596,789	11.05%
Capitalized Interest	\$81,516	1.51%
Cost of Issuance	\$105,846	1.96%
Other Soft Costs (Marketing, Etc.)	<u>\$295,834</u>	<u>5.48%</u>
Total Uses	\$5,403,010	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: America First Tax Exempt Investors, LP

Financing Structure:

The Bonds will be privately placed with America First Tax Exempt Investors, LP. During the construction phase, the bonds will have a fixed interest rate of approximately 5.67%. After approximately 6 months, the bonds will convert to the permanent phase for no more than 35 years, bearing interest at approximately 5.75%.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director Review and Recommendation:

The Executive Director has reviewed the Montclair Lemoore AR transaction based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Lemoore, and conformance to the CSCDA General and Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. City of Lemoore TEFRA Resolution
3. CDLAC Resolution Exhibit A

Applicant Information

Primary Contact E-mail: peggy.lichthart@housingpartners.com

Name of Developer: **Highridge Costa Housing Partners, LLC**

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address:

Street: **330 W. Victoria Street**

City: **Gardena**

State: **California**

Suite:

Phone: **424-258-2808**

Ext:

Zip: **90248**

Email: **peggy.lichthart@housingpartners.com**

Fax: **424-258-2809**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Montclair Lemoore AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **4/29/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

Primary Billing Contact

Organization: **Highridge Costa Housing Partners, LLC**

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address

Street: **330 W. Victoria Street**

City: **Gardena**

State: **California**

Suite:

Phone: **424-258-2808**

Ext:

Zip: **90248**

Email: **peggy.lichthart@housingpartners.com**

Fax: **424-258-2809**

Project Information

Project Information

Project Name: **Montclair Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Montclair Apartments**

Facility Bond Amount: \$3,609,000.00

Project Address:

Street: **150 South 19th Avenue**

City: **Lemoore**

State: **California**

Zip: **93245**

County: **Kings County**

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

Total Number of Units:

Market: **1**

Restricted: **79**

Total: **80**

Lot size: **297,079 sq. ft or 6.82 acres**

Amenities:

Montclair offers a courtyard/picnic area, central laundry facility, clubhouse with common area kitchen, computer lab, on-site management, a playground, swimming pool, and perimeter fencing.

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

35 one-story garden-style buildings and a one-story clubhouse. The buildings are wood frame construction with slab concrete flooring, stucco and wood sliding, and pitched roofs.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	12	492.00	787.00	-295.00
2.	2 Bedrooms	50	1	518.00	787.00	-269.00
3.	2 Bedrooms	60	9	518.00	787.00	-269.00
4.	2 Bedrooms	60	10	544.00	787.00	-243.00
5.	3 Bedrooms	50	14	564.00	909.00	-345.00

6.	3 Bedrooms	50	5	594.00	909.00	-315.00
7.	3 Bedrooms	60	12	594.00	909.00	-315.00
8.	3 Bedrooms	60	16	625.00	909.00	-284.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
21	16	32

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$3,609,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$163,701.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Costs Paid at Conversion	<u>\$818,244.00</u>
Seller Note	<u>\$1,011,807.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$5,602,752.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$3,450,000.00</u>
Construction or Remodel:	<u>\$912,000.00</u>
Cost of Issuance:	<u>\$107,401.00</u>
Capitalized Interest:	<u>\$91,428.00</u>
Reserves:	<u>\$117,786.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$651,530.00</u>
TCAC/CDLAC Application Fees	<u>\$53,385.00</u>
Construction Contingency	<u>\$42,400.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$126,822.00</u>
Total Uses:	<u>\$5,602,752.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investor, L.P.

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: aschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14-108
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-116
3. Project Sponsor: Montclair Lemoore AR, LP (Foundation for Affordable Housing V, Inc. & HCHP Affordable Multi-Family, LLC)
4. Project Management Co.: ConAm Management Company
5. Project Name: Montclair Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Lemoore, CA
8. Private Placement Purchaser: America First Tax Exempt Investors, LP
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 79 plus 1 manager unit
11. Total Number of Restricted Rental Units: 79
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 32 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 47 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-108

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 47 three-bedroom or larger units.
Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
Not Applicable
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
Not Applicable
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.
Not Applicable
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.
Not Applicable

RESOLUTION NO. 14-108

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

RESOLUTION NO. 14-108

Exhibit A

Page 4 of 4

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 014H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,525,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS MONTCLAIR APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Montclair Lemoore AR, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 80-unit multifamily rental housing development located in the City of Lemoore, California and known as Montclair Apartments (the “Project”);

WHEREAS, on September 17, 2014, the Authority received allocations in the amounts of \$3,525,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to issue not to exceed \$3,525,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Montclair Apartments Project) 2014 Series T-1 (the “Series T-1 Bonds”) and its Subordinate Multifamily Housing Revenue Bonds (Montclair Apartments Project) 2014 Series T-2 (the “Series T-2 Bonds” and together with the Series T-1 Bonds, the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with America First Multifamily Investors, L.P., or an affiliate thereof (the “Purchaser”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue two or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Montclair Apartments Project) 2014 Series T-1” and “California Statewide Communities Development Authority Subordinate Multifamily Housing Revenue Bonds (Montclair Apartments Project) 2014 Series T-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$3,525,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative

delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond November 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 23, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 23, 2014.

By _____
Authorized Signatory

Item V.

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

- h. Glenview Cameron Park AR, LP (Glenview Family Apartments), City of Cameron Park, County of El Dorado; up to \$6,798,000 in multi-family housing revenue bonds.
(Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: OCTOBER 23, 2014

APPLICANT: GLENVIEW CAMERON PARK AR, L.P./HIGH RIDGE COSTA HOUSING PARTNERS, LLC

AMOUNT: UP TO \$6,798,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF GLENVIEW APARTMENTS LOCATED AT 2361 BASS LAKE ROAD IN CAMERON PARK, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Glenview Apartments (the "Project"), is an 88-unit property located in Cameron Park, California. The Project application was filed on May 30, 2014 and induced on June 12, 2014.

Summary:

Glenview Cameron Park AR, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$6,798,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 40 two-bedroom units and 48 three-bedroom units to low-income families in El Dorado County.

The Project, located on approximately 7 acres of land, was initially constructed in 1998. The Property offers residents access to a business center, computer lab, clubhouse/meeting room, picnic area, playground, swimming pool and central laundry facilities. All units include carpeted and vinyl flooring, central A/C, washer/dryer hookups, blinds, a range, refrigerator, dishwasher and garbage disposal.

The community will be redeveloped in one phase and not require any relocation of current residents. During the rehabilitation, the developer will replace windows, roofs, water heaters, refrigerators, and blinds in the interior of the units. Additionally, repairs will be made to asphalt, sidewalks, landscaping, community room flooring, and swimming pool equipment. Common areas will receive all new furniture and the exterior of each building will be painted.

The rehabilitation is expected to begin in January 2015 and take approximately 6 months to complete.

The Borrower has previously constructed or rehabilitated over 30 multifamily and senior housing properties, including 6 with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 36 units reserved for tenants whose income is at or below 50% AMI
 - 51 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a public school
- Economic Benefits
 - Based upon \$9,582,564.00 Project costs using a 1.8 multiplier the Project produces approximately \$17,248,615.20 total economic activity, and at 2.1 jobs per unit produces approximately 185 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: August 5, 2014, County of El Dorado, unanimous approval
CDLAC Approval: September 17, 2014

Estimated Sources and Uses:**Sources:**

Tax Exempt Bond Proceeds	\$6,798,000	70.94%
Low Income Housing Tax Credit Equity	\$130,740	1.36%
Seller Note	\$1,278,201	13.34%
Operating Cash Flow/Deferred Costs	<u>\$1,375,623</u>	<u>14.36%</u>
Total Sources	\$9,582,564	100.00%

Uses:

Acquisition Cost	\$6,700,000	69.92%
Hard Construction Costs	\$926,640	9.67%
Architect & Engineering Fees	\$51,375	0.54%
Contractor Overhead & Profit	\$123,200	1.29%
Developer Fee	\$1,093,705	11.41%
Capitalized Interest	\$172,505	1.80%
Cost of Issuance	\$160,766	1.68%
Other Soft Costs (Marketing, Etc.)	<u>\$354,373</u>	<u>3.70%</u>
Total Uses	\$9,582,564	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: America First Multifamily Investors, LP

Financing Structure:

The Bonds will be privately placed with America First Multifamily Investors, LP. During the construction phase, the bonds will have a fixed interest rate of approximately 5.67%. After approximately 6 months, the bonds will convert to the permanent phase for no more than 35 years, bearing interest at approximately 5.75%.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director Review and Recommendation:

The Executive Director are reviewed the Glenview Cameron Park transaction and based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the County of El Dorado, and conformance to the CSCDA General and Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. County of El Dorado TEFRA Resolution
3. CDLAC Resolution Exhibit A

Applicant Information

Primary Contact E-mail: bill.vanderschans@housingpartners.com

Name of Developer: **Highridge Costa Housing Partners, LLC**

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

Email: **bill.vanderschans@housingpartners.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Glenview Cameron Park AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **4/29/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

Primary Billing Contact

Organization: **Highridge Costa Housing Partners, LLC**

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

Email: **bill.vanderschans@housingpartners.com**

Project Information

Project Information

Project Name: **Glenview Family Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Glenview Family Apartments**

Facility Bond Amount: \$6,600,000.00

Project Address:

Street: **2361 Bass Lake Road**

City: **Cameron Park**

State: **California**

Zip: **95682**

County: **El Dorado**

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

Total Number of Units:

Market: **1**

Restricted: **87**

Total: **88**

Lot size: **318859 sq. ft. or 7.32 acres**

Amenities:

Glenview offers a business center, computer lab, clubhouse/meeting room, central laundry, pic nic area, playground area and swimming pool.

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

The wood-framed, slab-on-grade construction consists 11 two story residential buildings and one community building. Unit mix includes 40 two-bedroom/two-bath units and 48 three-bedroom/two-bath units.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	16	583.00	1,000.00	-417.00
2.	2 Bedrooms	60	24	754.00	1,000.00	-246.00
3.	3 Bedrooms	50	20	671.00	1,181.00	-510.00
4.	3 Bedrooms	60	28	869.00	1,181.00	-312.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
4	1	4

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$6,600,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$130,855.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Income during construction	<u>\$98,511.00</u>
Costs Paid at Conversion	<u>\$1,319,863.00</u>
Seller Note	<u>\$1,472,549.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$9,621,778.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$6,700,000.00</u>
Construction or Remodel:	<u>\$1,003,200.00</u>
Cost of Issuance:	<u>\$157,123.00</u>
Capitalized Interest:	<u>\$181,384.00</u>
Reserves:	<u>\$168,928.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$1,125,739.00</u>
TCAC/CDLAC Applications Fees	<u>\$58,136.00</u>
Construction Contingency	<u>\$46,640.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$130,627.00</u>
Total Uses:	<u>\$9,621,777.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investors, L.P.

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd.

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: rschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14-100
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-105
3. Project Sponsor: Glenview Cameron Park AR, LP (WCH Affordable XI, LLC and HCHP Affordable Multi-Family, LLC)
4. Project Management Co.: ConAm Management Corporation
5. Project Name: Glenview Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Cameron Park, CA
8. Private Placement Purchaser: American First Tax Exempt Investors, LP
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
10. Total Number of Units: 87 plus 1 manager unit
11. Total Number of Restricted Rental Units: 87
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 36 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 51 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-100

Exhibit A

Page 2 of 4

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

Not Applicable

18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 47 three-bedroom or larger units.

Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 14-100

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

RESOLUTION NO. 14-100

Exhibit A

Page 4 of 4

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 014H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,798,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS GLENVIEW APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Glenview Cameron Park AR, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 88-unit multifamily rental housing development located in the County of El Dorado (Cameron Park), California and known as Santa Fe Apartments (the “Project”);

WHEREAS, on September 17, 2014, the Authority received allocations in the amounts of \$6,798,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to issue not to exceed \$6,798,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Glenview Apartments Project) 2014 Series S-1 (the “Series S-1 Bonds”) and its Subordinate Multifamily Housing Revenue Bonds (Glenview Apartments Project) 2014 Series S-2 (the “Series S-2 Bonds” and together with the Series S-1 Bonds, the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with America First Multifamily Investors, L.P., or an affiliate thereof (the “Purchaser”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue two or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Glenview Apartments Project) 2014 Series S-1” and “California Statewide Communities Development Authority Subordinate Multifamily Housing Revenue Bonds (Glenview Apartments Project) 2014 Series S-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$6,798,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative

delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond November 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 23, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 23, 2014.

By _____
Authorized Signatory