



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



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

**June 7, 2012**

**10:00 a.m.**

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

**Teleconference Locations**

County of Butte  
7 County Center Drive  
Oroville, CA 95965

County of Yuba  
915 8th Street, Suite 103  
Marysville, CA 95901

27788 Hidden Trail Road  
Laguna Hills, CA 92677

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the May 17, 2012 Regular Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
  - a. Provident Group – Pomona Properties, LLC (Western University), City of Pomona, County of Los Angeles; up to \$44 million in 501(C)(3) revenue bonds.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2012 at \_\_: \_\_ m,  
Signed \_\_\_\_\_. Please fax signed page to (925) 933-8457.

- b. Sutter Health, City of Modesto, County of Stanislaus; City of Tracy, County of San Joaquin; City of Vallejo, County of Solano; and City of Sacramento, County of Sacramento; up to \$135 million in 501(C)(3) revenue bonds.
- c. Oak Center Homes Partners, L.P. (Oak Center Homes Apartments), City of Oakland, County of Alameda; up to \$15 million in multi-family housing debt obligations.
- d. Hampstead Villa Mirage Partners, L.P. (Villa Mirage Apartments), City of Rancho Mirage, County of Riverside; up to \$12 million in multi-family housing debt obligations.
- e. CAA North Point Chico, L.P. (North Point Apartments), City of Chico, County of Butte; up to \$6.9 million in multi-family housing debt obligations.

VI. Discuss and Approve Higher Education Policy.

VII. Discuss Eligible SCIP Fees.

VIII. Public Comment.

IX. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
CONSENT CALENDAR**

1. Induce the following projects:
  - a. Wildomar Tres Lagos, L.P. (Tres Lagos Apartments), City of Wildomar, County of Riverside; issue up to \$13 million in multi-family housing debt obligations.
2. Approve the following invoices for payment:
  - a. Willdan Financial Services Invoice #010-17147
  - b. Willdan Financial Services Invoice #010-17148
  - c. David Taussig & Associates Invoice #1204005
  - d. David Taussig & Associates Invoice #1204056

Thursday, June 7, 2012

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

**Item II**

Approve the Minutes of the May 17, 2012 Regular Meeting.

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

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

May 17, 2012

**MINUTES**

Commission Chair Larry Combs called the meeting to order at 10:05 a.m.

**I. Roll Call**

Commission members present: Larry Combs, Steve Keil and Terry Schutten.  
Commission member participating by conference telephone: Tim Snellings.  
Alternate commissioner participating by conference telephone: Irwin Bornstein representing Commissioner Kevin O'Rourke.

Others present included: James Hamill, CSCDA staff; Dan Harrison, League of California Cities; Mark Paxson, State Treasurer's Office; and an unidentified representative of the public. Others participating by conference telephone: Greg Stepanicich, Richards Watson & Gershon; Dr. John Byrne and Ken Becker of the Foundation for Renewable Energy and Environment (FREE).

**II. Approval of Minutes—May 3, 2012**

The commission approved the minutes for the meeting held May 3, 2012.

Motion by Keil; second by Schutten; unanimously approved by roll-call vote.

**III. Staff Updates.** There were none.

**IV. Approval of Consent Calendar**

The commission approved by consent the following items:

**A. Inducement of the following multi-family projects:**

1. Community Development Partners (Morgan Hill Retirement Residence), City of Morgan Hill, County of Santa Clara; issue up to \$21 million in multi-family housing debt obligations.
2. Victorville/Desert Springs, L.P. (Desert Springs Apartments), City of Victorville, County of San Bernardino; issue up to \$30 million in multi-family housing debt obligations.

3. KDF Communities LLC (Seven Palms Apartments), City of Los Angeles, County of Los Angeles; issue up to \$9 million in multi-family housing debt obligations.

- B. Approval of an invoice for payment from David Taussig & Associates, Invoice #1203207.

Motion by Schutten; second by Keil; unanimously approved by roll-call vote.

## **V. CSCDA Sustainable Energy Bond Program**

The commission approved in concept the creation of a CSCDA Sustainable Energy Bond Program to facilitate energy upgrades and related financing for public and non-profit entities throughout California. The commission will consider the proposed program further and requested a face-to-face meeting with representatives of the Foundation for Renewable Energy and Environment (FREE).

Motion by Keil; second by Schutten; unanimously approved by roll-call vote.

## **VI. Financing Approvals**

The commission approved resolutions approving the financing; all necessary actions; the execution and delivery of all necessary documents and authorized any member or authorized signatory to sign all necessary financing documents for the following projects:

- A. Oxnard Pacific Associates, L.P. (Colonial House Apartments), City of Oxnard, County of Ventura; up to \$12 million in multi-family housing debt obligations.

Motion by Keil; second by Schutten; unanimously approved by roll-call vote.

- B. Palmdalia Family Apartments, L.P. (Palmdalia Family Apartments), City of Palmdale, County of Los Angeles; up to \$7 million in multi-family housing debt obligations.

Motion by Schutten; second by Keil; unanimously approved by roll-call vote.

- C. Colony Student Housing, LLC (California Baptist University), City of Riverside, County of Riverside; up to \$40 million in 501(C)(3) revenue bonds.

Motion by Schutten; second by Keil; unanimously approved by roll-call vote.

The commission approved scheduling a discussion in a future meeting concerning the criteria for approving higher education projects.

Motion by Keil; second by Schutten; unanimously approved by roll-call vote.

- D. Tax and Revenue Anticipation Notes (TRAN) 2012 Program Pool, City Redding, County of Shasta and the Apple Valley Fire Protection District, County of San Bernardino; up to \$15 million.

Motion by Schutten; second by Keil; unanimously approved by roll-call vote.

**VII. Rady Children's Hospital, Series 2008B and Series 2008D; Amendments**

The commission approved the resolution to amend the Series 2008B and Series 2008D bond indenture and loan agreements to provide for an Index mode for improved certainty rather than variable rate demand bonds, and authorized any member of the commission or authorized signatory to sign all necessary documents.

Motion by Schutten; second by Keil; unanimously approved by roll-call vote.

**VIII. CSCDA Proposed Budget for FY 2012-13**

Commission members requested information for the prior year or years to help in evaluating the proposed budget as well as an in-year update semiannually concerning the budget status. Consideration of this item was delayed until the next meeting.

**IX. Eligible SCIP Fess**

Consideration of this item was delayed until the next meeting.

**X. Public Comments.** There were none.

**XI. Adjournment**

Commission Chair Larry Combs adjourned the meeting at 11:05 a.m.

Submitted by: Daniel B. Harrison, Assistant to the Secretary

*The next meeting of the commission is scheduled for  
Thursday, June 7, at 10:00 a.m.  
in the League Office at 1400 K Street, Sacramento, CA.*

## Item IV

### Approve Consent Calendar

1. Induce the following projects:
  - a. Wildomar Tres Lagos, L.P. (Tres Lagos Apartments), City of Wildomar, County of Riverside; issue up to \$13 million in multi-family housing debt obligations.





*Building Communities, Investing in Local Government Since 1988*

## Housing Bond Application

### APPLICANT INFORMATION

Application Number: **2012042**  
Name of Developer: **DL Horn and Associates**  
Primary Contact: **Russell Leach**  
Title: **Applications Assistant**  
Address: **44-139 Monterey Ave, Suite A  
Palm Desert, CA 92260**  
Telephone Number: **(760) 469-4012**  
Fax Number: **(760) 469-4012**  
E-mail: **rleach@palmcommunities.com**

### BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation  
☐ Municipality ☒ Partnership  
☐ Other (specify): \_\_\_\_\_

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **Wildomar Tres Lagos Limited Partnership**

Date Established: **1/5/2012**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **13**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **13**

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **WNC**

Contact: **Lisa Castillo**

Address: **17782 Sky Park Circle  
Irvine, CA 92614**

Telephone: **(714) 662-5565**

Fax: **(714) 622-6834**

E-mail: **lcastillo@wncinc.com**

#### BOND COUNSEL

Firm: **Orrick, Herrington & Sutcliffe LLP**

Contact: **Justin Cooper**

Address: **The Orrick Building, 405 Howard St  
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2012042 - Tres Lagos Apartments**

Name of Borrower: **DL Horn and Associates**

### PROJECT DESCRIPTION

Current Project Name: **Tres Lagos Apartments**

New Project Name:

Project Street Address: **23345 & 23365 Catt Rd**

City: **Wildomar** State: **CA** Zip Code: **92595**

County: **Riverside**

Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **1** Restricted: **80** Total Units: **81**

Lot Size: **192,547 Sq. Ft.**

Amenities: **Community Room, Kitchen, Computer Lab, Pool/Spa, Assigned Carports, Picnic Areas, Putting Green, Walking Circuit, Community Garden, Elevators, Surveillance Cameras, Gated Access, Washer/Dryers on each floor in each building, On-Site Property Management, Health/Wellness/Skill Building Classes, Educational Classes**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **2 Story, Type V-b Wood Framing With Stucco Exterior And Concrete Slab-on-grade Foundations.**

Type of Housing: ☒ New Construction ☐ Family  
☐ Acq/Rehab ☒ Senior Is this an Assisted Living Facility? **No**

City or county contact information:

Contact Name: **Mervyn Manalo**  
Title: **Development Specialist**  
Phone Number: **(951) 955-3408**  
Fax Number: **(951) 955-3426**  
E-mail: **mmanalo@rivcoeda.org**

### PUBLIC BENEFIT

Percentage of Units in Low Income Housing: **98.7%**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **98.7%**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	30	6	\$320	\$974	\$654
1 Bedroom	60	58	\$685	\$974	\$289
2 Bedrooms	30	2	\$375	\$1,149	\$774
2 Bedrooms	50	8	\$668	\$1,149	\$481
2 Bedrooms	60	6	\$814	\$1,149	\$335

Remarks:

**OTHER PUBLIC BENEFIT****SERVICES PROVIDED**

- ☐ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- ☐ After school program of an on going nature for the minimum of 10 years.
- ☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- ☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- ☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

**ENVIRONMENT****Energy**

Does the facility exceed Title 24 Standards? ☒ Yes ☐ No ☐ N/A

If Yes, by what percent? **18%**

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A

If Yes, what is the size in kWh? \_\_\_\_\_

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? \_\_\_\_\_

**Water**

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

Water-saving showerheads? ☒ Yes ☐ No ☐ N/A

Drought tolerant landscaping? ☒ Yes ☐ No ☐ N/A

Other, specify: \_\_\_\_\_

**Transportation**

Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/A

Does the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A

**Waste**

Does the project provide recycling facilities? ☐ Yes ☒ No ☐ N/A

**WORKFORCE****Employment Creation**

Job Type/Description	During Construction	Post Construction
<u>Director of Social Services</u>	<u>0</u>	<u>1</u>
<u>On-Site Manager</u>	<u>0</u>	<u>1</u>

**GOVERNMENTAL INFORMATION**

Congressional District #	State Senate District #	State Assembly District #
<u>49</u>	<u>36</u>	<u>66</u>

Application Number: **2012042 - Tres Lagos Apartments**

Name of Borrower: **DL Horn and Associates**

### FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**

For Refundings only: Is this a transfer of property to a new owner? \_\_\_\_\_

Maturity: **30 Years**

Interest Rate Mode: ☒ Fixed ☐ Variable

#### CONSTRUCTION FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

#### PERMANENT FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P \_\_\_\_\_  
☐ Moody's \_\_\_\_\_ ☐ Fitch \_\_\_\_\_

Projected State Allocation Pool: ☐ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

### SOURCES & USES

#### CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	<b>\$10,793,551</b>
Taxable Bond Proceeds:	
Tax Credits:	<b>\$376,424</b>
Developer Equity:	
Other Funds(Describe):	
Deferred Dev Fee & Costs	<b>\$3,613,578</b>
Riverside County EDA Loan	<b>\$5,980,000</b>
Riverside County EDA Land Grant	<b>\$1,600,000</b>
_____	.....
_____	.....
<b>TOTAL:</b>	<b>\$22,363,553</b>

#### USES

Land Acquisition:	<b>\$2,257,000</b>
Building Acquisition:	
Construction or Remodel:	<b>\$11,965,729</b>
Cost of Issuance:	<b>\$1,184,769</b>
Capitalized Interest:	
Reserves:	<b>\$142,083</b>
Other Funds(Describe):	
Other Project Costs	<b>\$2,054,643</b>
Developer Costs	<b>\$2,459,124</b>
Legal Fees	<b>\$100,000</b>
Miscellaneous	<b>\$2,200,205</b>
_____	.....
<b>TOTAL:</b>	<b>\$22,363,553</b>

Application Number: **2012042 - Tres Lagos Apartments**

Name of Borrower: **DL Horn and Associates**

**PRINCIPAL FINANCE TEAM INFORMATION (continued)**

<b>FINANCIAL ADVISOR</b>	<b>REBATE ANALYST</b>
Firm: <b>N/A</b>	Firm: <b>TBD</b>
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

**ADDITIONAL REQUIREMENT**

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
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A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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\*Refundable only if financing not approved.

**MAILING ADDRESS**

California Communities®  
2033 N. Main St., Suite 700  
Walnut Creek, CA 94596

#### Item IV

##### Approve Consent Calendar

2. Approve the following invoices for payment:
  - a. Willdan Financial Services Invoice #010-17147
  - b. Willdan Financial Services Invoice #010-17148
  - c. David Taussig & Associates Invoice #1204005
  - d. David Taussig & Associates Invoice #1204056

27368 Via Industria, Suite 110  
Temecula, California 92590

**COPY**

**Delinquency Management Services**

**Attn:**  
James Hamill  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

**Invoice #:** 010-17147  
**Invoice Date:** 3/30/12  
**Project:** 101168  
**Phase #:** 5012  
**Org:** 30  
**Terms:** Net 30 Days

**INVOICE TOTAL DUE: \$278.10**

**FY 1112 Phase 1 RL SCIP**

Batches #: 34,565 & 34582 & 34885  
Batch Dates: February 14 & February 15, 2012 & March 19, 2012

**Applicable Fees**

\$15.00 per Owner:

18 Owner letters x 0.45 stamp = \$8.10

Subtotal: \$270.00  
Postage: \$8.10

**Subtotal Due: \$278.10**

**AD 03-01 (San Mateo)**

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2011/12	\$30.00
	District Postage		\$0.90

**AD 04-01 (Placer)**

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2011/12	\$15.00
	District Postage		\$0.45

27368 Via Industria, Suite 110  
Temecula, CA 92590 (951) 251-0000

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2011/12	\$15.00
	District Postage		\$0.45

## AD 05-01 (Placer)

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2011/12	\$30.00
	District Postage		\$0.90

## AD 06-01 (San Mateo)

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2011/12	\$15.00
	District Postage		\$0.45

## AD 07-02 (Placer)

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2011/12	\$15.00
	District Postage		\$0.45

## AD 10-01 (Solano)

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2011/12	\$15.00
	District Postage		\$0.45

## AD 03-01 (Contra Costa)

Letters Sent	ActionType	Tax Years	District Total
4	Reminder Letter	2011/12	\$60.00
	District Postage		\$1.80



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Temecula, California 92590  
AD 03-01 (2390)

Letters Sent	ActionType	Tax Years	District Total
5	Reminder Letter	2011/12	\$75.00
	District Postage		\$2.25

**Remit To:**  
**Willdan Financial Services**  
**27368 Via Industria, Suite 110**  
**Temecula, California 92590**

**INVOICE**27368 Via Industria, Suite 110  
Temecula, California 92590**COPY****Delinquency Management Services****Attn:**James Hamill  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596Invoice #: 010-17148  
Invoice Date: 3/30/12  
Project: 101168  
Phase #: 5012  
Org: 30  
Terms: Net 30 Days**FY 1011****INVOICE TOTAL DUE: \$ 1,320.00****Tax Roll Removal****SCIP - Placer County****Recorded Document 2012-0014690 2-21-12**

Batch #: 34,761

Batch Date: February 28, 2012

**Applicable Fees**

\$110.00 per Obligation Tax Yearly:

12 Removals

**Subtotal Due: \$1,320.00****AD 04-01 (Placer)**

Removals	Action Type	Tax Years	District Total
5	Strip Confirmation	2010/11	\$550.00

**AD 07-01 (Placer)**

Removals	Action Type	Tax Years	District Total
7	Strip Confirmation	2010/11	\$770.00

**Remit To:**  
**Willdan Financial Services**  
27368 Via Industria, Suite 110  
Temecula, California 92590

# DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

5000 Birch Street, Ste. 6000, Newport Beach, CA 92660

Project No: 12-10012.000  
Invoice No: 1204005  
April 30, 2012

James Hamill  
Calif. Statewide Community Development Authority  
2033 No. Main Street #700  
Walnut Creek, CA 94596

Project 12-10012.000 CSCDA/CFD Otay Mesa Sewer Project

Professional Services through April 30, 2012

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with formation of a CFD for Otay Mesa Sewer project. Please remit invoice payment payable to David Taussig and Associates, Inc.

PAYMENT IS DUE UPON RECEIPT. AN INTEREST CHARGE OF 1.2% PER MONTH WILL BE APPLIED TO INVOICES 30 DAYS PAST DUE.

Professional Services	Hours	Rate	Amount
Managing Director			
Roess, Andrea			
04-03-12 Revise/review RMA	1.00	225.00	225.00
04-04-12 Attend meeting @ SD Co	5.00	225.00	1,125.00
04-06-12 Revise/review RMA	1.00	225.00	225.00
04-23-12 Meeting at Dexter Willson	4.50	225.00	1,012.50
04-24-12 Send sample future annex maps to RJ	.25	225.00	56.25
Analyst			
Nguyen, Christina			
04-05-12 Edited RMA	1.00	120.00	120.00
04-06-12 Edited RMA	1.00	120.00	120.00
<b>Totals</b>	<b>13.75</b>		<b>2,883.75</b>

Reimbursable Expenses	Amount
Mileage	176.80
<b>Total Reimbursables</b>	<b>176.80</b>

**Total this Invoice \$3,060.55**

## Outstanding Invoices

Number	Date	Balance
1203207	03-31-12	2,388.75

# DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

5000 Birch Street, Ste. 6000, Newport Beach, CA 92660

Project No: 11980.000

Invoice No: 1204056

April 30, 2012

James Hamill  
Calif. Statewide Community Development Authority  
2033 No. Main Street #700  
Walnut Creek, CA 94596

Project 11980.000 CSCDA/Orinda Wilder Project-Admin

Professional Services through April 30, 2012

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with the special tax administration of California Statewide Communities Development Authority CFD No. 2007-01 (Orinda Wilder Project) for fiscal year 2011-12. Please remit invoice payment payable to David Taussig and Associates, Inc.

PAYMENT IS DUE UPON RECEIPT. AN INTEREST CHARGE OF 1.2% PER MONTH WILL BE APPLIED TO INVOICES 30 DAYS PAST DUE.

Professional Services	Hours	Rate	Amount
Vice President			
Morgan, Shayne			
03-05-12 Reviewed February account statements and transactions.	.25	185.00	46.25
04-17-12 Downloaded and reviewed March account statements.	.25	185.00	46.25
04-25-12 Researched 2nd installment property tax payments.	.50	185.00	92.50
<b>Totals</b>	<b>1.00</b>		<b>185.00</b>

## Additional Fees

3% Administrative Expenses 5.55

**Total Additional Fees 5.55**

**Total this Invoice \$190.55**

## Outstanding Invoices

Number	Date	Balance
1201055	01-31-12	57.55
<b>Total</b>		<b>57.55</b>

## Item V

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

- a. Provident Group – Pomona Properties, LLC (Western University), City of Pomona, County of Los Angeles; up to \$44 million in 501(C)(3) revenue bonds.

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## SUMMARY AND APPROVAL

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<b>APPLICANT:</b>	PROVIDENT GROUP – POMONA PROPERTIES L.L.C.
<b>AMOUNT:</b>	UP TO \$45 MILLION OF TAX EXEMPT STUDENT HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN UNIVERSITY HOUSING FACILITIES
<b>PRIMARY ACTIVITY:</b>	STUDENT HOUSING
<b>LEGAL STRUCTURE:</b>	501(C)(3) NONPROFIT CORPORATION
<b>REVIEW DATE:</b>	JUNE 7, 2012

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### Background:

Provident Group – Pomona Properties L.L.C. (the “Borrower”) is a wholly owned subsidiary of Provident Resources Group Inc., a 501(c)(3) nonprofit corporation (“Provident”) that was founded in 1999. Provident’s serves its charitable missions by undertaking a broad range of services, activities and programs that seek to provide (1) quality acute and primary healthcare, (2) safe, compassionate and comfortable senior living facilities and services, (3) safe, comfortable and affordable housing while promoting the physical, emotional and mental health and social well-being of the individuals, families and communities Provident serves, (4) support for education at all levels and (5) assistance in lessening the burdens of state and local governments. Since 2000, Provident has acquired, developed and financed 14 private correctional facilities, 5,213 student housing beds, 2,640 affordable housing units and 3 senior assisted living facilities.

The Borrower’s application was submitted to CSCDA on May 15, 2012. CSCDA has issued bonds for Provident and its subsidiaries in the approximate amount of \$37 million over 2 prior transactions.

### Project Description:

The Borrower requests that CSCDA issue up to \$45,000,000 in tax-exempt student housing revenue bonds for the purpose of financing the acquisition, construction and improvement of student housing facilities located at Western University of Health Sciences (“Western University”) in Pomona, California (the “Project”).

Western University is a non-profit, private, graduate school for the health professions. Founded in 1977 as The College of Osteopathic Medicine of the Pacific, Western University is now one of the largest graduate schools for the health professions in California, serving more than 3,000 students and offering 21 degree programs within nine colleges. All of its health care programs have professional accreditations and Western University is accredited by The Western Association of Schools and Colleges.

The Project will provide approximately 306 beds of graduate student housing exclusively for students, faculty and staff of Western University, as well as others participating in university-

sponsored activities in a combination of studio, one-bedroom and two-bedroom units, as well as approximately 11,000 square feet of academic/administrative office space for Western University.

The Project will be constructed on a 1.88 acre site immediately adjacent to the Western University campus. The Borrower will acquire the Project site from the City of Pomona and will then donate the Project site to Western University and retain a long-term interest in the site pursuant to the terms of a Ground Lease. The residential units will be leased exclusively to students, faculty and staff of Western University, as well as others participating in university-sponsored activities. Upon retirement of the Bonds, the Ground Lease will terminate and the Project improvements will become the property of Western University.

### **Agency Approvals:**

On January 9, 2012, the City Council for the City of Pomona conducted a TEFRA hearing and unanimously approved the issuance of Bonds by CSCDA.

### **Estimated Sources and Uses:**

#### **Sources:**

Par Amount Series A Bonds	\$ 35,185,000	83.6%
Par Amount Series B Bonds	<u>\$ 6,880,000</u>	16.4%
Total Sources:	\$ 42,065,000	100%

#### **Uses:**

Soft Costs	\$ 4,556,620	10.8%
Off-Site/On-Site Work	\$ 1,758,374	4.1%
Construction Costs	\$ 23,061,111	54.8%
Municipal Fees	\$ 5,731,942	13.6%
Debt Service Reserve Fund	\$ 3,438,000	8.1%
Project Contingency	\$ 873,358	2.0%
Capitalized Interest	\$ 1,703,074	4.0%
Cost of Issuance	\$ 937,600	2.2%
Rounding	\$ 4,921	0.1%
Total Uses:	\$ 42,065,000	100%

### **Finance Team:**

- Bond Counsel: Jones Walker, LLP, Baton Rouge, LA
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento, CA
- Series A Bond Purchaser: Wells Fargo Municipal Capital Strategies, LLC, San Francisco, CA
- Series B Placement Agent: Southwest Securities, Cardiff by the Sea, CA

**Financing Structure:**

The variable rate Senior Series A Bonds will mature in no more than thirty years and will be privately placed with Wells Fargo Bank. The fixed rate Subordinate Series B Bonds will be sold to qualified institutional buyers as part of a limited public offering. The Subordinate Series B Bonds will bear interest at a fixed rate of approximately 6.25% and will fully amortize over eleven (11) years. The total bond issuance is not to exceed \$45,000,000 and the Bonds will be sold in compliance with CSCDA's issuance policies.

**Financing Approval:**

Based on the overall finance related considerations and public benefit of the Project as detailed in Attachment 1, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds;
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.



## **Attachment 1**

### **Public Benefit:**

In addition to advancing the educational mission of Western University, the Project provides immediate and long-term public benefits, including the following:

- Serving to further and advance the community revitalization and economic development efforts of the Redevelopment Agency of the City of Pomona.
- Increasing the availability of convenient, affordable and safe housing for students of Western University, a major economic driver to the City of Pomona and provider of primary health care services to approximately 15,000 patients annually.
- Strengthening the downtown residential base of the City of Pomona.
- Creation of approximately 150 temporary construction jobs.
- Conversion of 306 commuters into campus pedestrians reducing environmental impact and traffic congestion.
- Additional consumer base will assist downtown businesses with increased business and improved marketing opportunities for the downtown.
- Inclusion of an on-site storm water treatment system and low irrigation landscape will reduce impact to local storm water run-off and water usage.
- Incorporation of a pedestrian paseo, a component of the Project, will provide a safe pedestrian path while also improving the downtown attractiveness, thus supporting initiatives to create a pedestrian-friendly downtown.
- It is one of the more higher density projects in Pomona, thus reducing impact on urban sprawl, preservation of green space and impact on City services.
- Conversion of a surface parking lot into a vital economic engine furthering the City's redevelopment and economic development of the downtown.
- The Project is located within a half mile of major bus and commuter rail, potentially supporting mass transit.

### **Attachments:**

1. Original application
2. City of Pomona TEFRA Resolution



Building Communities, Investing in Local Government Since 1988

## 501(c)(3) Nonprofit Bond Application

### APPLICANT INFORMATION

Application Number: **2012041**

Name of Borrower: **Provident Group - Pomona Properties L.L.C.**

Primary Contact: **Donovan Hicks**

Title: **Corporate General Counsel**

Street Address: **5565 Bankers Avenue** Suite: \_\_\_\_\_

City: **Baton Rouge** State: **LA** Zip Code: **70808**

Telephone Number: **(225) 766-3977**

Fax Number: **(225) 766-3988**

E-mail: **dohicks@provident.org**

Type of Entity: ☐ For-profit Corporation ☒ Non-profit Corporation  
☐ Municipality ☐ Partnership  
☐ Other (specify): \_\_\_\_\_

Date Organized: **12/09/2011**

### PROJECT INFORMATION

Type of Project: ☐ Small Issue Public Benefit Project

Health Care: ☐ Continuing Care ☐ Clinic ☐ Hospital ☐ Assisted Living  
☐ Skilled Nursing ☐ Other (specify): \_\_\_\_\_

Education: ☐ K-12 ☒ Colleges/Universities

Other: ☐ Museum/Cultural ☐ Other (specify): \_\_\_\_\_

Project/Facility Name: **Western University of Health Sciences Graduate Student Housing**

Street Address: **615 E. Third Street**

City: **Pomona** State: **CA** Zip Code: **91766**

County: **Los Angeles**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: **Raymond Fong**

Title: **Redevelopment Director, City of Pomona**

Phone Number: **(909) 620-2410**

Fax Number: **(909) 620-3703**

E-mail: **raymond\_fong@ci.pomona.ca.us**



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## 501(c)(3) Nonprofit Bond Application

### FINANCING INFORMATION

Principal Amount: **\$42,065,000**  
Tax-exempt Amount: **\$42,065,000**  
Taxable Amount: **\$0**

Proposed Closing Date: **06/15/2012**

Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☒ Variable

Type of Offering: ☐ Public Offering ☒ Private Placement  
Denominations: **TBD**

Type of Financing: ☐ Acquisition of Existing Facility ☒ New Construction  
☐ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **Wells Fargo**

Expected Rating: ☒ Unrated ☐ S & P \_\_\_\_\_  
☐ Moody's \_\_\_\_\_ ☐ Fitch \_\_\_\_\_

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **Wells Fargo**

Contact: **Terri Wesolik**

Address: **707 Wilshire Boulevard, Suite 11th Floor  
Los Angeles, CA 90017**

Telephone: **(213) 614-3327**

Fax: **(877) 302-0908**

E-mail: **terri.wesolik@wellsfargo.com**

#### BOND COUNSEL

Firm: **Jones Walker**

Contact: **Fred Chevalier**

Address: **8555 United Plaza Boulevard, Suite 500  
Baton Rouge, LA 70809**

Telephone: **(225) 248-2046**

Fax: **(225) 248-3046**

E-mail: **fcchevalier@joneswalker.com**



*Building Communities, Investing in Local Government Since 1988*

## 501(c)(3) Nonprofit Bond Application

### PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: <b>Becker Capital &amp; Finance</b>	Firm: <b>TBD</b>
Contact: <b>Ken Becker</b>	Contact:
Address: <b>100 Riversedge Drive, Suite 134 Atlanta, GA 30339</b>	Address:
Telephone: <b>(302) 740-6795</b>	Telephone:
Fax: <b>(770) 485-6759</b>	Fax:
E-mail: <b>kbecker@beckercof.com</b>	E-mail:

### ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
-------------------	-----------------------------------

- |   |   |
|---|---|
| A | \$5,000 non-refundable* issuance fee deposit payable to "California Communities." |
| B | Detailed Applicant History.   |
| C | Description of project or each facility to be financed or refinanced.             |
| D | Address of each facility to be financed or refinanced.                            |
| E | Evidence of credit enhancement or intent to purchase bonds.                       |
| F | List of outstanding tax-exempt debt.  |
| G | Financial statements for last complete fiscal year.                               |
| H | Project Costs (Sources and Uses of Proceeds).                                     |
| I | Interested Parties List.  |

\*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

### MAILING ADDRESS

California Communities®  
2033 N. Main St., Suite 700  
Walnut Creek, CA 94596

RESOLUTION NO. 2012-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA APPROVING THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, FURNISHING, EQUIPPING AND MAINTAINING OF STUDENT HOUSING AND RELATED FACILITIES FOR PROVIDENT GROUP – POMONA PROPERTIES LLC, AND OTHER MATTERS RELATING THERETO.**

**WHEREAS**, Provident Group – Pomona Properties L.L.C., a single member limited liability company (the "*Borrower*") organized and existing under the laws of the State of Delaware, whose sole member is Provident Resources Group Inc., a nonprofit corporation duly organized and validly existing under the laws of the State of Georgia, wishes to finance the acquisition, construction, furnishing, equipping and maintaining of a student housing facility consisting of approximately 202 apartment style units containing approximately 306 beds, with related amenities (the "*Housing Space*"), and including approximately 11,000 square feet of academic/administrative space (the "*Academic/Administrative Space*" and together with the Housing Space, the "*Facilities*"), which Facilities are to be located on certain unimproved real property (the "*Land*") immediately adjacent to the campus of Western University of Health Sciences (the "*University*"), a private nonprofit corporation duly organized and existing under the laws of the State of California (the "*State*");

**WHEREAS**, the Borrower has requested that the California Statewide Communities Development Authority (the "*Authority*") issue its not to exceed \$45,000,000 Revenue Bonds (Provident Group – Pomona Properties L.L.C. Project), in one or more series, taxable or tax-exempt (the "*Bonds*") for the purposes of: (i) financing the acquisition, construction, furnishing, equipping and maintaining of the Facilities, (ii) funding a debt service reserve fund, (iii) funding a repair and replacement reserve fund, if necessary, (iv) funding an operating reserve fund, if necessary and (v) paying the costs of issuance of the Bonds (the "*Project*");

**WHEREAS**, the Facilities to be constructed with the proceeds of the Bonds will be owned by the Borrower and leased to the University while the Bonds are outstanding and upon retirement of the Bonds, will be owned by the University;

**WHEREAS**, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), the issuance of the Bonds by the Authority must be approved by the City because the Facilities to be constructed with the proceeds of the Bonds are located within the territorial limits of the City of Pomona (the "*City*");

**WHEREAS**, the City Council of the City (the "*City Council*") is the elected legislative body of the City and is one of the "applicable elected representatives" required to approve the issuance of the Bonds under Section 147(f) of the Code;

**WHEREAS**, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of (i) Section 147(f) of the Code and (ii) the requirements of Section 9 of that certain Amended and Restated Joint Exercise of Powers Agreement dated June 1, 1988 relating to the Authority (the "Agreement");

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Pomona, as follows:

**SECTION 1.** That the foregoing recitals are true and accurate.

**SECTION 2.** That the City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, and the Project, for the purposes of (i) Section 147(f) of the Code by the applicable representative of the governmental unit having jurisdiction over the area in which the Project is to be located, in accordance with said Section 147(f) and (ii) Section 9 of the Agreement.

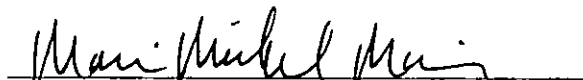
**SECTION 3.** That the adoption of this resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project, (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the construction or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein. The Bonds shall not constitute a debt or obligation of the City.

**SECTION 4.** That the officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

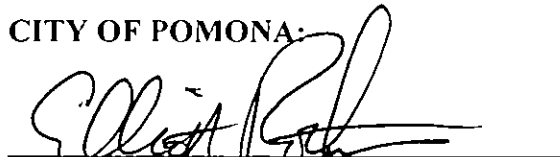
**SECTION 5.** That this Resolution shall take effect immediately upon its adoption.

**APPROVED AND ADOPTED THIS 9<sup>TH</sup> DAY OF JANUARY, 2012.**

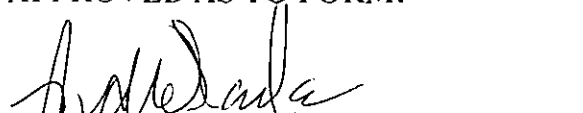
**ATTEST:**

  
Marie Michel Macias, City Clerk

**CITY OF POMONA:**

  
Elliott Rothman, Mayor

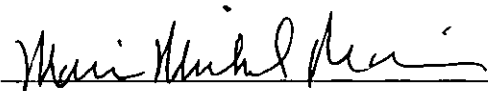
**APPROVED AS TO FORM:**

  
Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF POMONA

I, MARIE MICHEL MACIAS, CITY CLERK of the City of Pomona, do hereby certify that the foregoing Resolution was duly adopted at a regular meeting of the City Council of the City of Pomona held on the 9<sup>th</sup> day of January, 2011 by the following vote:

AYES:	COUNCILMEMBERS:	Rodriguez, Carrizosa, Lantz, Escobar, Atchley, Rothman
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	Soto
ABSTAIN:	COUNCILMEMBERS:	None

  
Marie Michel Macias, City Clerk

## Item V

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

- b. Sutter Health, City of Modesto, County of Stanislaus; City of Tracy, County of San Joaquin; City of Vallejo, County of Solano; and City of Sacramento, County of Sacramento; up to \$135 million in 501(C)(3) revenue bonds.



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## SUMMARY AND APPROVALS

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**DATE:** JUNE 7, 2012

**APPLICANT:** SUTTER HEALTH

**AMOUNT:** UP TO \$135 MILLION OF NONPROFIT REVENUE BONDS

**PURPOSE:** REFINANCE THE CSCDA SERIES 2002B BONDS

**PRIMARY ACTIVITY:** MEDICAL HOSPITAL

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

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### **Background:**

Sutter Health (“Sutter”) is a California nonprofit public benefit corporation and parent organization to most organizations in the Sutter Health system. The Sutter system is comprised of Sutter and its affiliated health care organizations. While many Sutter affiliates have a long history, the modern-day Sutter was created through the 1996 merger of Sacramento-based Sutter and Bay Area-based California Healthcare System.

Sutter provides a broad range of health care services through thirty-one acute care facilities, four skilled nursing facilities and two chemical dependency recovery hospitals operating under 27 licenses, with a total of 5,493 licensed beds. Sutter’s affiliated organizations employ approximately 47,000 staff and have relationships with approximately 4,950 physicians serving more than 100 communities throughout Northern California. Sutter is a regional leader in cardiac care, cancer treatment, orthopedics, obstetrics and newborn intensive care, and is a pioneer in advanced patient safety technology.

Sutter’s application was submitted to CSCDA on April 24, 2012. CSCDA has issued bonds for Sutter in the approximate amount of \$2 billion over 11 prior transactions.

Sutter is seeking up to \$135 million in nonprofit revenue bonds (the “Bonds”) to refinance the CSCDA Series 2002B Bonds (“2002B Bonds”) which financed the construction and equipping of medical facilities at locations in Modesto, Tracy, Vallejo, and Sacramento, California. The refinancing is expected to save Sutter up to 16% of the par amount, or \$22 million. Descriptions of the projects are below:

### **Modesto:**

The Memorial Hospital Association of Modesto is located at 1700 Coffee Road. The 2002B Bonds funded the construction of a three room self-contained outpatient surgery center in an existing medical office building on the Modesto hospital campus. Additionally, two existing catheterization labs, one MRI machine, and one linear accelerator were replaced.

**Tracy:**

The Sutter Tracy Community Hospital is located at 1420 N. Tracy Blvd. Ambulatory services, including the construction of additional Emergency Department and Obstetric beds, and the expansion of space for the physical therapy department and surgery department were funded. Additionally, one CT scanner was replaced.

**Vallejo:**

The Sutter Solano Medical Center is located at 300 Hospital Drive. The Emergency Department was remodeled to satisfy regulatory requirements and infrastructure was upgraded.

**Sacramento:**

Sutter Medical Center Sacramento is located at 2828 Capitol Avenue. The 2002B Bonds were used to fund a portion of the construction of the Women and Children's Center.

**Agency Approvals:**

Bond Counsel has advised that no TEFRA hearing is required for this anticipated refinancing.

**Estimated Sources and Uses:****Sources:**

Principal Amount	\$ <u>135,000,000.00</u>
Total Sources	\$ 135,000,000.00

**Uses:**

Refund Escrow Deposits	\$ 133,000,000.00
Costs of Issuance	\$ <u>2,000,000.00</u>
Total Uses	\$ 135,000,000.00

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriters: Morgan Stanley, Bank of America Merrill Lynch, and Sutter Securities, San Francisco

**Financing Structure:**

The Bonds will mature in no more than thirty years and will be issued as fixed rate tax-exempt obligations. The Bonds will be uninsured but are expected to carry a long-term credit rating of "AA-" from S&P, "Aa3" from Moody's and "AA-" from Fitch. The Underwriters will publicly offer the fixed rate Bonds in minimum denominations of \$5,000. The financing will comply with CSCDA's policies for the issuance of publicly offered securities.

**Financing Approval:**

Based on the overall Project meeting the Benefit Guidelines for 501(c)(3) Healthcare Facilities detailed on Attachment 1 and CSCDA's issuance guidelines, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds;
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**

### **CSCDA Benefit Guidelines for 501(c)(3) Healthcare Facilities**

#### **Economic Development:**

- Sutter employs over 47,000 physicians and employees through their network of facilities in more than 100 cities and towns in California. Sutter employees live, eat, and shop within those communities and support the local economy.
- Sutter's role as a premier medical service provider has generated the establishment of more than two dozen locally run acute care hospitals as well as physician organizations, medical research facilities, region wide home health, hospice and occupational health networks, and long term care centers.
- Since 2000, Sutter has invested more than \$7 billion to build, replace and improve dozens of hospitals and physician care centers throughout Northern California.

#### **Public Benefit:**

- Health care resource – The Sutter network is the regional leader in infant deliveries, neonatology, orthopedics, pediatrics and cancer care services.
- Community benefit – In 2011, Sutter invested \$756 million in health care programs, services and benefits for the poor and underserved in the broader community. Sutter provides an average of more than \$2.3 million in charity care per week.
- Emergency care – Sutter provides 24-hour emergency care to all individuals, regardless of their ability to pay.
- SB1953 compliance – Sutter's facilities are constructed in accordance with California's Seismic Safety Act (SB1953) which will provide a safer healthcare environment.
- Community outreach – Sutter and its affiliate hospitals support a wide range of activities and resources that promote health and wellness and increase access to healthcare services for vulnerable populations. Services including school-based clinics, mobile clinics, transportation services, health and wellness education, health libraries, student mentoring programs, language assistance, and prevention strategies are only a few of the services Sutter provides to the broader and underserved communities.
- Medi-Cal and Medicare acceptance – Sutter provides health care and helps to subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare. For 2009, Sutter subsidized more than \$371 million for the unpaid cost of Medi-Cal patients.

**Attachments:**

1. Original Application
2. Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities



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## 501(c)(3) Nonprofit Bond Application

### APPLICANT INFORMATION

Application Number: **2012032**  
Name of Borrower: **Sutter Health**  
Primary Contact: **Svend Ryge**  
Title: **Vice President and Treasurer**  
Street Address: **2185 N. California Boulevard Suite: 300**  
City: **Walnut Creek** State: **CA** Zip Code: **94596**  
Telephone Number: **(925) 817-1220**  
Fax Number: **(925) 817-1238**  
E-mail: **ryges@sutterhealth.org**  
Type of Entity: ☐ For-profit Corporation ☒ Non-profit Corporation  
☐ Municipality ☐ Partnership  
☐ Other (specify): \_\_\_\_\_  
Date Organized: **1985**

### PROJECT INFORMATION

Type of Project: ☐ Small Issue Public Benefit Project  
Health Care: ☐ Continuing Care ☐ Clinic ☒ Hospital ☐ Assisted Living  
☐ Skilled Nursing ☐ Other (specify): \_\_\_\_\_  
Education: ☐ K-12 ☐ Colleges/Universities  
Other: ☐ Museum/Cultural ☐ Other (specify): \_\_\_\_\_

Project/Facility Name: **See Attachment E (Total Projects: 4)**

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

Is Project located in unincorporated part of the County? \_\_\_\_\_

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:

Contact Name: **See Attachment E**

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Ext. \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail: \_\_\_\_\_



Building Communities, Investing in Local Government Since 1988

## 501(c)(3) Nonprofit Bond Application

### FINANCING INFORMATION

Principal Amount: **\$135,000,000**  
Tax-exempt Amount: **\$135,000,000**  
Taxable Amount: **\$0**

Proposed Closing Date: **07/09/2012**

Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

Type of Offering: ☒ Public Offering ☐ Private Placement  
Denominations: **\$5,000**

Type of Financing: ☐ Acquisition of Existing Facility ☐ New Construction  
☒ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☐ Unrated ☒ S & P **AA-**  
☒ Moody's **Aa3** ☒ Fitch **AA-**

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **Morgan Stanley**

Contact: **John Landers**

Address: **555 California Street, Suite 2130  
San Francisco, CA 94104**

Telephone: **(415) 576-2071**

Fax: **(415) 591-4581**

E-mail: **john.landerson@morganstanley.com**

#### BOND COUNSEL

Firm: **Orrick, Herrington, & Sutcliffe LLP**

Contact: **John Myers**

Address: **400 Capitol Mall, Suite 3000  
Sacramento, CA 95814**

Telephone: **(916) 329-7903**

Fax: **(916) 329-4900**

E-mail: **jmyers@orrick.com**



Building Communities, Investing in Local Government Since 1988

## 501(c)(3) Nonprofit Bond Application

### PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: <b>N/A</b>	Firm: <b>TBD</b>
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

### ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

Attachment	Description of Information
A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
B	Detailed Applicant History.
C	Description of project or each facility to be financed or refinanced.
D	Address of each facility to be financed or refinanced. <a href="#">Please click on this link to download the CSCDA 501(c)(3) Nonprofit Healthcare Finance Benefit Guidelines.</a>
E	Evidence of credit enhancement or intent to purchase bonds.
F	List of outstanding tax-exempt debt.
G	Financial statements for last complete fiscal year.
H	Project Costs (Sources and Uses of Proceeds).
I	Interested Parties List.

\*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

### MAILING ADDRESS

California Communities®  
2033 N. Main St., Suite 700  
Walnut Creek, CA 94596





*Building Communities, Investing in Local Government Since 1988*

## 501(c)(3) Nonprofit Bond Application

Application Number: **2012032 - Sutter Health**

Name of Borrower: **Sutter Health**

### Attachment E

#### **FACILITY #1) Memorial Hospital Association**

Project Street Address: **1700 Coffee Road**

City: **Modesto** State: **CA** Zip Code: **95355**

County: **Stanislaus**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Ext. \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

#### **FACILITY #2) Sutter Tracy Community Hospital**

Project Street Address: **1420 North Tracy Boulevard**

City: **Tracy** State: **CA** Zip Code: **95376**

County: **San Joaquin**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Ext. \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

#### **FACILITY #3) Sutter Solano Medical Center**

Project Street Address: **300 Hospital Drive**

City: **Vallejo** State: **CA** Zip Code: **94589**

County: **Solano**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Ext. \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_



*Building Communities, Investing in Local Government Since 1988*

## 501(c)(3) Nonprofit Bond Application

Application Number: **2012032 - Sutter Health**

Name of Borrower: **Sutter Health**

### Attachment E

#### **FACILITY #4) Sutter Medical Center Sacramento**

Project Street Address: **2825 Capitol Avenue**

City: **Sacramento** State: **CA** Zip Code: **95816**

County: **Sacramento**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Ext. \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

### **Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities**

In 1991, CSCDA adopted economic development benefit guidelines based upon the finding that the nonprofit facility promotes economic development within the jurisdiction of a CSCDA Program Participant. Effective March 1, 2006, the CSCDA Commission adopted health care benefit guidelines to be considered in conjunction with the CSCDA economic development guidelines with respect to proposed bond issues for 501(c)(3) nonprofit healthcare facilities.

#### **Economic Development Benefit\***

A significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life of local Program Participant residents;

The facility being a significant factor in the economic development of an area, promoting residential, commercial and industrial development and increasing the tax base; or

The facility providing the educational background and vocational training which is a necessary element to the development and retention of a capable work force.

#### **Health Care Benefit\***

Health care resource – consideration given to quality of life for Program Participant and other area residents for access to quality medical care in general;

Emergency care – consideration given to quality of life for Program Participant and other area residents; whether the health care facility provides 24-hour emergency care to all individuals, regardless of ability to pay;

Facility upgrades and increased patient capacity - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for new, improved or expanded medical facilities;

SB1953 compliance - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for medical facilities being rehabilitated or constructed in compliance with SB1953 and that provide a safer acute health care environment;

Public health facility assistance - consideration given to quality of life for Program Participant owned or operated public health facilities for healthcare applicants that identify programs, contracts or practices where facilities link with or otherwise assist or ease the burden on area public health facilities;

Community outreach – consideration given to quality of life for Program Participant residents from efforts of health facility physicians and staff (such as free health screenings, immunizations for the elderly and disadvantaged, toy drives, holiday events, etc.);

## Attachment 2

Research – consideration given to medical advancements by way of research that benefit Program Participant residents and others;

Medi-Cal and Medicare acceptance - consideration given to quality of life for Program Participant residents for health care providers that serve Medi-Cal and / or Medicare patients; special consideration should be given to disproportionate share hospitals (a government measure for how much care hospitals provide to designated low-income patients);

Non-reimbursed community benefit costs for the poor and the broader community - consideration given to quality of life for Program Participant and other area residents that include:

- a. Charity care and uncompensated care
- b. Unpaid cost of Medi-Cal services
- c. Unpaid cost of Medicare services
- d. Education
- e. Research
- f. Low or negative margin services
- g. Nonbilled services
- h. Cash and in-kind donations
- i. Other benefits to the poor or broader community, as defined by the applicant

\* Although any one of these listed benefits may demonstrate a clear public benefit, the absence of other benefits does not mean that there is a lack of public benefit associated with a project. There may be other benefits not listed which can also be considered to demonstrate public benefit.

Effective March 1, 2006.

## Item V

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

- c. Oak Center Homes Partners, L.P. (Oak Center Homes Apartments), City of Oakland, County of Alameda; up to \$15 million in multi-family housing debt obligations.

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## SUMMARY AND APPROVALS

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**DATE:** JUNE 7, 2012

**APPLICANT:** OAK CENTER HOMES PARTNERS, L.P./THE HAMPSTEAD COMPANIES

**AMOUNT:** UP TO \$15,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

**PURPOSE:** FINANCE THE ACQUISITION AND REHABILITATION OF OAK CENTER HOMES APARTMENTS LOCATED AT 850 18<sup>TH</sup> STREET IN OAKLAND, CA

**CSCDA PROGRAM:** HOUSING

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### Background:

The proposed project, Oak Center Homes Apartments (the “Project”), is an 89-unit property located in Oakland, California. The Project application was filed on October 27, 2011 and induced on November 9, 2011.

### Summary:

Oak Center Homes Partners, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$15,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will provide 11 one-bedroom units, 38 two-bedroom units, 33 three-bedroom units, 6 four-bedroom units, and 1 five-bedroom unit to low-income families in Oakland. The Project has an existing HUD-subsidized project based Section 8 contract that will be renewed to preserve the restricted rents for residents.

The Project consists of 41 buildings, the majority of which are two-three story Victorian homes. Most have spacious courtyards or backyards with front yards and laundry machines. All residents have access to the central community building which houses the management office.

Unit amenities include yards/patios/balconies, full kitchens, window coverings, and appliances. Unit upgrades will include: drywall and plaster repair, painting, floor replacement, plumbing repairs, efficient lighting fixtures and water efficiency replacements, and new appliances, kitchen sinks, windows and blinds. Bathroom improvements will include vanity replacement, shower repairs, and new toilets, sinks and faucets. New roofs will be installed and HVAC and electrical repairs will be made across the Project. Landscape improvements and repairs to fences and gates will also be made.

Construction is expected to begin in July, 2012 and be completed by January, 2014.

The Borrower has previously constructed or rehabilitated 20 multifamily and senior housing properties throughout the United States, including 2 with CSCDA. The Borrower currently has 1 other active financing application pending with CSCDA.

**Public Benefit:**

- Project Affordability
  - 100% of the Project's units will be income restricted:
    - 9 units reserved for tenants whose income is at or below 50% AMI
    - 80 units reserved for tenants whose income is at or below 60% AMI
  - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
  - The Project is located within a public transit corridor
  - The Project is located within ½ mile of a grocery store
  - The Project is located within ¼ mile of a public K-12 school
  - The Project is located within ½ mile of a park or recreational facility
  - The Project is located within ½ mile of a public library
- Economic Benefits
  - Based upon \$22,887,767 Project costs using a 1.8 multiplier the Project produces \$41,197,980.60 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:** Scheduled for June 5, 2012 at Alameda County

**CDLAC Approval:** January 18, 2012

**Estimated Sources and Uses:**

## Sources:

Tax-Exempt Bond Proceeds	\$13,825,000	60.40%
Taxable Debt Proceeds	\$3,000,000	13.11%
Low Income Housing Tax-Credits	\$3,662,142	16.00%
Developer Equity	\$876,651	3.83%
Reserves, Income During Construction	<u>\$1,523,974</u>	<u>6.66%</u>
Total Sources	\$22,887,767	100.00%

## Uses:

Acquisition Cost	\$7,500,000	32.77%
Relocation	\$222,500	0.97%
Construction Costs	\$8,825,840	38.56%
Architect & Engineering Fees	\$903,721	3.95%
Contractor Overhead & Profit	\$564,863	2.47%
Developer Fee	\$2,500,000	10.92%
Financing Costs	\$471,505	2.06%
Interest	\$889,050	3.88%
Legal Fees	\$285,000	1.25%
Other Soft Costs (Marketing, Etc.)	<u>\$725,288</u>	<u>3.17%</u>
Total Uses	\$22,887,767	100.00%

**Finance Team:**

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

**Financing Structure:**

The Bonds will mature in no more than 24 months and bear a variable interest rate during the construction period. The Bonds will then be converted to the permanent phase for 35 years and bear a fixed interest rate. The projected true interest cost of the bonds under current market conditions is 5.49%. The Bonds will be privately placed with Citibank, N.A.

By using \$13,825,000 in CSCDA Bonds the Project is able to leverage an additional \$9,062,767 in other resources, for a ratio of 1.5 to 1.

**Policy Compliance:**

The Project complies with the following policies:

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

**Financing Approval:**

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, and conformance to the CSCDA Issuance Policies, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the bonds and the financing of the Project, subject to Alameda County Approval;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

**Attachments:**

1. Original application
2. CDLAC Qualified Residential Rental Program Resolution Exhibit A





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## Housing Bond Application

### APPLICANT INFORMATION

Application Number: **2011092**  
Name of Developer: **The Hampstead Group, Inc.**  
Primary Contact: **Wylie Allen**  
Title: **General Counsel**  
Address: **3413 30th Street  
San Diego, CA 92104**  
Telephone Number: **(213) 908-7384**  
Fax Number: **(619) 543-4220**  
E-mail: **wylie@hampstead.com**

### BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation  
☐ Municipality ☒ Partnership  
☐ Other (specify): \_\_\_\_\_

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **TBD**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **32**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

#### BOND COUNSEL

Firm: **Orrick, Herrington & Sutcliffe LLP**

Contact: **Justin Cooper**

Address: **405 Howard Street  
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2011092 - Oak Center Homes**

Name of Borrower: **The Hampstead Group, Inc.**

### PROJECT DESCRIPTION

Current Project Name: **Oak Center Homes**

New Project Name:

Project Street Address: **850 18th Street**

City: **Oakland** State: **CA** Zip Code: **94607**

County: **Alameda**

Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **0** Restricted: **89** Total Units: **89**

Lot Size: **Scattered Site**

Amenities: **Community Room/Kitchen, washer and dryers in each unit, back yards**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Wood Frame, 41 (90% Are 2 Stories, Remainder Of Units Are 4 Stories)**

Type of Housing: ☐ New Construction ☒ Family  
☒ Acq/Rehab ☐ Senior

Is this an Assisted Living Facility? \_\_\_\_\_

City or county contact information:

Contact Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Ext. \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

### PUBLIC BENEFIT

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **10% at 50%, 90% at 60%**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	1	\$866	\$1,245	\$379
1 Bedroom	60	10	\$1,039	\$1,245	\$206
2 Bedrooms	50	4	\$1,038	\$1,459	\$421
2 Bedrooms	60	34	\$1,246	\$1,459	\$213
3 Bedrooms	50	3	\$1,200	\$1,996	\$796
3 Bedrooms	60	30	\$1,440	\$1,996	\$556
4 Bedrooms	50	1	\$1,338	\$2,466	\$1,128
4 Bedrooms	60	5	\$1,606	\$2,466	\$860
5 Bedrooms	60	1	\$1,772	\$2,959	\$1,187

Application Number: **2011092 - Oak Center Homes**

Name of Borrower: **The Hampstead Group, Inc.**

**PUBLIC BENEFIT(continued)**

Remarks: **100% of the units are assisted by a project based section 8 contract**

**OTHER PUBLIC BENEFIT****SERVICES PROVIDED**

- ☐ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- ☐ After school program of an on going nature for the minimum of 10 years.
- ☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- ☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- ☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

**ENVIRONMENT****Energy**Does the facility exceed Title 24 Standards? ☐ Yes ☒ No ☐ N/A

If Yes, by what percent? \_\_\_\_\_%

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A

If Yes, what is the size in kWh? \_\_\_\_\_

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? \_\_\_\_\_

**Water**

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/AWater-saving showerheads? ☒ Yes ☐ No ☐ N/ADrought tolerant landscaping? ☒ Yes ☐ No ☐ N/A

Other, specify: \_\_\_\_\_

**Transportation**Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/ADoes the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A**Waste**Does the project provide recycling facilities? ☐ Yes ☒ No ☐ N/A**WORKFORCE****Employment Creation**

Job Type/Description	During Construction	Post Construction
Construction	30	0

**GOVERNMENTAL INFORMATION**

Congressional District #	State Senate District #	State Assembly District #
9	10	16

Application Number: **2011092 - Oak Center Homes**

Name of Borrower: **The Hampstead Group, Inc.**

### FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**

For Refundings only: Is this a transfer of property to a new owner? \_\_\_\_\_

Maturity: **35 Years**

Interest Rate Mode: ☒ Fixed ☐ Variable

#### CONSTRUCTION FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

#### PERMANENT FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P \_\_\_\_\_  
☐ Moody's \_\_\_\_\_ ☐ Fitch \_\_\_\_\_

Projected State Allocation Pool: ☐ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

### SOURCES & USES

#### CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	<b>\$14,500,000</b>
Taxable Bond Proceeds:	
Tax Credits:	<b>\$4,187,000</b>
Developer Equity:	
Other Funds(Describe):	
_____	.....
Income during Construction	<b>\$1,398,000</b>
Replacement Reserves	<b>\$230,000</b>
_____	.....
Seller Carry Back	<b>\$3,000,000</b>
<b>TOTAL:</b>	<b>\$23,315,000</b>

#### USES

Land Acquisition:	<b>\$1,500,000</b>
Building Acquisition:	<b>\$6,000,000</b>
Construction or Remodel:	<b>\$10,870,000</b>
Cost of Issuance:	<b>\$531,000</b>
Capitalized Interest:	<b>\$900,000</b>
Reserves:	<b>\$413,000</b>
Other Funds(Describe):	
Developer Fee	<b>\$2,500,000</b>
Legal	<b>\$235,000</b>
Misc Transaction costs	<b>\$366,000</b>
_____	.....
_____	.....
<b>TOTAL:</b>	<b>\$23,315,000</b>

Application Number: **2011092 - Oak Center Homes**

Name of Borrower: **The Hampstead Group, Inc.**

**PRINCIPAL FINANCE TEAM INFORMATION (continued)**

<b>FINANCIAL ADVISOR</b>	<b>REBATE ANALYST</b>
Firm: <b>N/A</b>	Firm: <b>TBD</b>
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

**ADDITIONAL REQUIREMENT**

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
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A	\$5,000 non-refundable* application fee payable to "California Communities."
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\*Refundable only if financing not approved.

**MAILING ADDRESS**

California Communities®  
2033 N. Main St., Suite 700  
Walnut Creek, CA 94596

**RESOLUTION NO. 12-012**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 12-012
3. Project Sponsor: Oak Center Homes Partners, LP (H A Oak Center, LLC and Oak Center Homes, Inc.)
4. Project Management Co.: Alton Management Corporation
5. Project Name: Oak Center Homes Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Oakland, 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.
10. Total Number of Units: 89 plus 0 manager units
11. Total Number of Restricted Rental Units: 89
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 9 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 80 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. 12-012**

**Exhibit A**

Page 2 of 3

17. At a minimum, the financing for the Project shall include a Taxable Loan in the amount of \$3,000,000. 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. **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 40 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 program 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. **Not Applicable**
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents educational classes on-site or there must be educational classes available to Project residents 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 contracts for services on-site or such service must be available to the Project residents within 1/4 mile of the Project. **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. **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**
27. The project is a Rehabilitation Project reducing energy use on a per square foot basis by 25% as calculated using a methodology approved by the California Energy Commission. **Applicable**
28. The project commits to becoming certified under any one of the following programs upon completion: Leadership in Energy & Environmental Design (LEED); Green Communities; or the GreenPoint Rated Multifamily Guidelines. **Not Applicable**
29. The Project will incorporate the following energy efficient items:
  - a. Energy Star rated ceiling fans in all bedrooms and living rooms; or use of a whole house fan; or use of an economizer cycle on mechanically cooled HVAC systems. **Not Applicable**
  - b. Water-saving fixtures or flow restrictors in the kitchen (2 gpm or less) and bathrooms (1.5 gpm or less). **Applicable**



**RESOLUTION NO. 12-012**

**Exhibit A**

Page 3 of 3

- c. At least one High Efficiency Toilet (1.3 gallons per flush) or dual flush toilets per unit.  
**Applicable**
- d. Material for all cabinets, countertops and shelving that is free of added formaldehyde or fully sealed on all six (6) sides by laminates and/or a low-VOC primer or sealant (150 grams per liter or less).  
**Not Applicable**
- e. Interior paint with no volatile organic compounds. (5 grams per liter or less).  
**Applicable**
- f. CRI Green-label, low-VOC carpeting and pad and low-VOC adhesives 25 grams per liter or less.  
**Not Applicable**
- g. Bathroom fans in all bathrooms that exhaust to the outdoors and are equipped with a humidistat sensor or timer. **Not Applicable**
- h. Formaldehyde-free insulation. **Not Applicable**
- i. At least one of the following recycled materials at the designated levels: a) cast-in-place concrete (20% flyash); b) carpet (25%); c) road base, fill or landscape amendments (30%).  
**Not Applicable**
- j. Design the elements to retain, infiltrate and/or treat on-site the first one-half (1/2) inch of rainfall in a 24-hour period. **Not Applicable**
- k. Inclusion of a construction indoor air quality management plan that requires the following: a) protection of construction materials from water damage during construction; b) capping of ducts during construction; c) cleaning of ducts upon completion of construction; and d) for rehabilitation Projects, implementation of a dust control plan that prevents particulates from migrating into occupied areas. **Not Applicable**
- l. The following design features in at least half of the Project's units: accessible routes of travel to the dwelling units with accessible 34" minimum clear-opening-width entry and interior doors with lever hardware and 42" minimum width hallways; accessible full bathroom on primary floor with 30" x 60" clearance parallel to the entry to 60" wide accessible showers with grab bars, anti-scald valves and lever faucet/shower handles, and reinforcement applied to walls around toilet for future grab bar installations; accessible kitchen with 30" x 48" clearance parallel to and centered on front of all major fixtures and appliances. **Not Applicable**
- m. Inclusion of no-smoking buildings or sections of buildings. To be eligible for an award pursuant to this subdivision, the no-smoking sections must consist of at least half the units within the building, and those units must be contiguous. **Not Applicable**
- n. An allocation of Historic Tax Credits as defined under 26 U.S.C. section 47(a).  
**Not Applicable**
- o. For rehabilitation Projects not subject to Title 24 Standards, use of florescent light fixtures for at least 75% of light fixtures or comparable energy saving lighting for the Project's total lighting (including community rooms and any common space) throughout the compliance period.  
**Not Applicable**

## Item V

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

- d. Hampstead Villa Mirage Partners, L.P. (Villa Mirage Apartments), City of Rancho Mirage, County of Riverside; up to \$12 million in multi-family housing debt obligations.

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## SUMMARY AND APPROVALS

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**DATE:** JUNE 7, 2012

**APPLICANT:** HAMPSTEAD VILLA MIRAGE PARTNERS, L.P./THE HAMPSTEAD COMPANIES

**AMOUNT:** UP TO \$12,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

**PURPOSE:** FINANCE THE ACQUISITION AND REHABILITATION OF VILLA MIRAGE APARTMENTS LOCATED AT 34-160 REBECCA WAY IN RANCHO MIRAGE, CA

**CSCDA PROGRAM:** HOUSING

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### Background:

The proposed project, Villa Mirage Manor Apartments (the “Project”), is a 98-unit property located in Rancho Mirage, California. The Project application was filed on December 19, 2011 and induced on January 5, 2012.

### Summary:

Hampstead Villa Mirage Manor Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$12,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will provide 69 two-bedroom and 29 three-bedroom townhome units to low-income families in Rancho Mirage.

The Project was built in the late 1980s and has two existing HUD-subsidized project based Section 8 contracts. The Project consists of 23 two-story buildings spread across 5+ acres. There are 196 on-site parking spaces in carports and 30 off-site spaces for residents. There is a large spacious courtyard with a tot lot, swimming pool, and grass area. A large community room with a kitchen and attached laundry room are available to residents.

Unit amenities include patios/balconies, full kitchens, window coverings, and air conditioning. Unit upgrades will include: drywall repair, painting, floor replacement, plumbing repairs, efficient lighting fixtures and water efficiency replacements, bathroom upgrades, and new appliances, windows and blinds. New roofs will be installed and HVAC and electrical repairs will be made across the Project. Landscape improvements and repairs to fences and gates will also be made.

Construction is expected to begin in July, 2012 and be completed by June, 2013.

The Borrower has previously constructed or rehabilitated 20 multifamily and senior housing properties throughout the United States, including 2 with CSCDA. The Borrower currently has 1 other active financing application pending with CSCDA.

**Public Benefit:**

- Project Affordability
  - 100% of the Project's units will be income restricted:
    - 10 units reserved for tenants whose income is at or below 50% AMI
    - 87 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 ¼ mile of a public K-12 school
  - The Project is located within ½ mile of a park or recreational facility
  - The Project is located within ½ mile of a public library
  - The Project will provide high-speed internet service in each unit for a minimum of 10 years
- Economic Benefits
  - Based upon \$14,373,083 Project costs using a 1.8 multiplier the Project produces \$25,871,549.40 total economic activity, and at 2.1 jobs per unit produces approximately 206 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

**Agency Approvals:**

**TEFRA Hearing:** February 16, 2012, City of Rancho Mirage, unanimous approval

**CDLAC Approval:** March 21, 2012

**Estimated Sources and Uses:**

## Sources:

Tax-Exempt Bond Proceeds	\$10,100,000	70.27%
Income During Construction	\$893,829	6.22%
Low Income Housing Tax-Credits	\$2,692,861	18.74%
CALHFA Loan Assumption	\$521,423	3.63%
Developer Equity	\$1,970	0.01%
Replacement Reserves	<u>\$163,000</u>	<u>1.13%</u>
Total Sources	\$14,373,083	100.00%

## Uses:

Acquisition Cost	\$6,500,000	45.22%
Relocation	\$147,000	1.02%
Construction Costs	\$3,440,976	23.94%
Architect & Engineering Fees	\$295,278	2.05%
Contractor Overhead & Profit	\$219,520	1.53%
Developer Fee	\$1,742,853	12.13%
Financing Costs	\$428,500	2.98%
Interest	\$589,147	4.10%

Legal Fees	\$165,000	1.15%
Other Soft Costs (Marketing, Etc.)	<u>\$844,809</u>	<u>5.88%</u>
Total Uses	\$14,373,083	100.00%

**Finance Team:**

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

**Financing Structure:**

The Bonds will mature in no more than 21 months and bear a variable interest rate during the construction period. The Bonds will then be converted to the permanent phase for 35 years and bear a fixed interest rate. The projected true interest cost of the bonds under current market conditions is 5.8%. The Bonds will be privately placed with Citibank, N.A.

By using \$10,100,000 in CSCDA Bonds the Project is able to leverage an additional \$4,273,083 in other resources, for a ratio of 2.4 to 1.

**Policy Compliance:**

The Project complies with the following policies:

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

**Financing Approval:**

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of bonds by the City of Rancho Mirage, and conformance to the CSCDA Issuance Policies, the Commission shall 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 Rancho Mirage TEFRA Resolution
3. CDLAC Qualified Residential Rental Program Resolution Exhibit A



*Building Communities, Investing in Local Government Since 1988*

## Housing Bond Application

### APPLICANT INFORMATION

Application Number: **2011109**  
Name of Developer: **The Hampstead Group, Inc.**  
Primary Contact: **Wylie Allen**  
Title: **General Counsel**  
Address: **3413 30th Street  
San Diego, CA 92104**  
Telephone Number: **(213) 908-7384**  
Fax Number: **(619) 543-4220**  
E-mail: **wylie@hampstead.com**

### BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation  
☐ Municipality ☒ Partnership  
☐ Other (specify): \_\_\_\_\_

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **Hampstead Villa Mirage Partners, L.P.**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **32**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **Citi Community Capital**

Contact: **Mike Hemmens**

Address: **325 East Hillcrest Drive, Suite 160  
Thousand Oaks, CA 91360**

Telephone: **(805) 557-0943**

Fax: **(555) 555-5555**

E-mail: **mhemmens@citi.com**

#### BOND COUNSEL

Firm: **Orrick, Herrington & Sutcliffe LLP**

Contact: **Justin Cooper**

Address: **405 Howard Street  
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2011109 - Villa Mirage**  
Name of Borrower: **The Hampstead Group, Inc.**

#### PROJECT DESCRIPTION

Current Project Name: **Villa Mirage**  
New Project Name:  
Project Street Address: **34-160 Rebecca Way**  
City: **Rancho Mirage** State: **CA** Zip Code: **92270**  
County: **Riverside**  
Is Project located in unincorporated part of the County? **No**  
Total Number of Units: Market: **0** Restricted: **98** Total Units: **98**  
Lot Size: **308,200 sq. ft.**  
Amenities: **Swimming pool, playground, laundry room, and club house**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Wood Frame, 2 Story, 24 Buildings**

Type of Housing: ☐ New Construction ☒ Family  
☒ Acq/Rehab ☐ Senior Is this an Assisted Living Facility? \_\_\_\_\_

City or county contact information:

Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Ext. \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
E-mail: \_\_\_\_\_

#### PUBLIC BENEFIT

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **90% at 60%, 10% at 50%**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
2 Bedrooms	50	2	\$672	\$1,000	\$328
2 Bedrooms	60	3	\$823	\$1,000	\$177
2 Bedrooms	50	6	\$672	\$1,000	\$328
2 Bedrooms	60	58	\$823	\$1,000	\$177
3 Bedrooms	50	2	\$786	\$1,088	\$302
3 Bedrooms	60	27	\$960	\$1,088	\$128

Remarks: **100% of the units are covered by a project based section 8 HAP Contract.**

**OTHER PUBLIC BENEFIT**

**SERVICES PROVIDED**

- ☒ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.  
☐ After school program of an on going nature for the minimum of 10 years.  
☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.  
☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.  
☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

**ENVIRONMENT**

**Energy**

Does the facility exceed Title 24 Standards? ☐ Yes ☒ No ☐ N/A

If Yes, by what percent? \_\_\_\_\_%

Does the facility have solar(PV) panels? ☒ Yes ☐ No ☐ N/A

If Yes, what is the size in kWh? **20**

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? \_\_\_\_\_

**Water**

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

Water-saving showerheads? ☒ Yes ☐ No ☐ N/A

Drought tolerant landscaping? ☒ Yes ☐ No ☐ N/A

Other, specify: \_\_\_\_\_

**Transportation**

Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/A

Does the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A

**Waste**

Does the project provide recycling facilities? ☐ Yes ☒ No ☐ N/A

**WORKFORCE**

**Employment Creation**

Job Type/Description	During Construction	Post Construction
<u>Construction</u>	<u>30</u>	<u>0</u>

**GOVERNMENTAL INFORMATION**

Congressional District #	State Senate District #	State Assembly District #
<u>45</u>	<u>37</u>	<u>64</u>



Application Number: **2011109 - Villa Mirage**  
 Name of Borrower: **The Hampstead Group, Inc.**

### FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding  
 For Refundings only: Will you be applying for State Volume Cap? **No**  
 For Refundings only: Is this a transfer of property to a new owner? \_\_\_\_\_  
 Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

#### CONSTRUCTION FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

#### PERMANENT FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☐ Freddie Mac  
☐ Bond Insurance ☐ Other (specify): \_\_\_\_\_

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P \_\_\_\_\_  
☐ Moody's \_\_\_\_\_ ☐ Fitch \_\_\_\_\_

Projected State Allocation Pool: ☐ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

### SOURCES & USES

#### CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	<b>\$10,100,000</b>
Taxable Bond Proceeds:	
Tax Credits:	<b>\$2,089,686</b>
Developer Equity:	<b>\$435,118</b>
Other Funds(Describe):	
Energy Subsidies	<b>\$185,510</b>
Income during construction	<b>\$858,057</b>
Existing reserves	<b>\$163,000</b>
Loan Assumption	<b>\$521,423</b>
_____	.....
<b>TOTAL:</b>	<b>\$14,352,794</b>

#### USES

Land Acquisition:	<b>\$1,300,000</b>
Building Acquisition:	<b>\$5,200,000</b>
Construction or Remodel:	<b>\$3,686,760</b>
Cost of Issuance:	<b>\$202,000</b>
Capitalized Interest:	<b>\$597,672</b>
Reserves:	<b>\$561,692</b>
Other Funds(Describe):	
Soft Costs	<b>\$896,856</b>
Financing Costs	<b>\$223,780</b>
Developer Fee	<b>\$1,684,034</b>
_____	.....
_____	.....
<b>TOTAL:</b>	<b>\$14,352,794</b>

Application Number: **2011109 - Villa Mirage**  
Name of Borrower: **The Hampstead Group, Inc.**

**PRINCIPAL FINANCE TEAM INFORMATION (continued)**

<b>FINANCIAL ADVISOR</b>	<b>REBATE ANALYST</b>
Firm: <b>N/A</b>	Firm: <b>TBD</b>
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

**ADDITIONAL REQUIREMENT**

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
-------------------	-----------------------------------

A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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\*Refundable only if financing not approved.

**MAILING ADDRESS**

California Communities®  
2033 N. Main St., Suite 700  
Walnut Creek, CA 94596

*Cynthia Scott*CITY CLERK  
CITY OF RANCHO MIRAGE

RESOLUTION NO. 2012-06

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO MIRAGE  
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE  
VILLA MIRAGE APARTMENTS.**

---

**WHEREAS**, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Rancho Mirage (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

**WHEREAS**, Hampstead Villa Mirage Partners, L.P., a limited partnership or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$12,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 98-unit multifamily rental housing project located at 34160 Rebecca Way, Rancho Mirage, California, generally known as Villa Mirage Apartments (the "Project") and operated by US Residential Group, LLC; and

**WHEREAS**, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

**WHEREAS**, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

**WHEREAS**, the members of this City Council (this "City Council") are the applicable elected representatives of the City; and

**WHEREAS**, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

**WHEREAS**, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

**WHEREAS**, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

**WHEREAS**, it is intended that this Resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO MIRAGE DOES RESOLVE, AS FOLLOWS:**

**Section 1.        Recitals.**

That the Recitals set forth above are true and correct.

**Section 2.        Approval of Issuance of Bonds.**

That the City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority.

**Section 3.        Purpose of Resolution.**

That the purpose and intent of this Resolution is to memorialize the City Council's approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

**Section 4.        Officers and Employees.**

That the appropriate officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give

effect to and comply with the terms and intent of this Resolution and the financing approved hereby.

**Section 5. Certified Resolution and Public Hearing Notice.**

That the City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

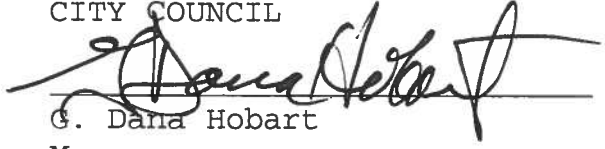
Justin Cooper, Esq.  
Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, California 94105

**Section 6. Effective Date.**

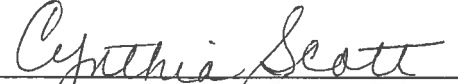
That this Resolution shall take effect immediately upon its passage.

**PASSED, APPROVED AND ADOPTED** this 16th day of February, 2012.

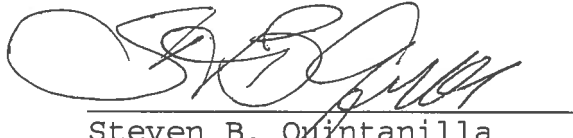
CITY OF RANCHO MIRAGE  
CITY COUNCIL

  
G. Dana Hobart  
Mayor

ATTEST:

  
Cynthia Scott, City Clerk

APPROVED AS TO FORM:

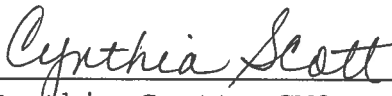
  
Steven B. Quintanilla  
City Attorney

## CERTIFICATION

STATE OF CALIFORNIA       )  
                                  )  
COUNTY OF RIVERSIDE     )  
                                  )  
CITY OF RANCHO MIRAGE     )

I, Cynthia Scott, City Clerk of the City of Rancho Mirage, California, do hereby certify that Resolution No. 2012-06 was duly adopted by the City Council of the City of Rancho Mirage, California, at a special meeting thereof held on the 16th day of February, 2012, by the following vote:

AYES:           Hines, Kite, Moller, Smotrich, Hobart  
NOES:           None  
ABSENT:         None  
ABSTAIN:       None

  
\_\_\_\_\_  
Cynthia Scott, CMC  
City Clerk

**RESOLUTION NO. 12-030**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 12-033
3. Project Sponsor: Hampstead Villa Mirage Partners, LP (Hampstead Villa Mirage, LLC and Affordable Housing Solutions)
4. Project Management Co.: U.S. Residential Group, LLC
5. Project Name: Villa Mirage Apartments
6. Type of Project: Acquisition and Rehabilitation/Family/Federally Assisted At-Risk
7. Location: Rancho Mirage, 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.
10. Total Number of Units: 97 plus 1 manager unit
11. Total Number of Restricted Rental Units: 97
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 10 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.  
  
At least 87 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit. **Applicable**
16. A minimum of \$0,000 of public funds will be expended for the Project. **Not Applicable**



**RESOLUTION NO. 12-030**

**Exhibit A**

Page 2 of 3

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**



27. Applicants shall provide a certification of their intent to utilize 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**
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 Rehabilitation Project reducing energy use on a per square foot basis by 25% 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**

The following certification must be submitted by the Project Sponsor (on Project Sponsor letterhead) to the Applicant (Issuer) who will then forward it to the California Debt Limit Allocation Committee annually on March 1st (or at such other time as requested by the Committee).

## Item V

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

- e. CAA North Point Chico, L.P. (North Point Apartments), City of Chico, County of Butte; up to \$6.9 million in multi-family housing debt obligations

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## SUMMARY AND APPROVALS

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**DATE:** JUNE 7, 2012

**APPLICANT:** CAA NORTH POINT CHICO, L.P. / COMMUNITY ACTION AGENCY OF BUTTE COUNTY, INC.

**AMOUNT:** UP TO \$6,900,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

**PURPOSE:** FINANCE THE ACQUISITION AND CONSTRUCTION OF NORTH POINT APARTMENTS LOCATED AT 3418-32 ESPLANADE AVE IN CHICO, CA

**CSCDA PROGRAM:** HOUSING

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### **Background:**

The proposed project, North Point Apartments (the "Project"), is a 50-unit new construction project located in Chico, California. The Project application was filed on October 27, 2011 and induced on November 9, 2011.

### **Summary:**

CAA North Point Chico, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$6,900,000 (the "Bonds") in order to finance the acquisition and new construction of the Project. The Project will provide 49 affordable units to low income residents and one manager's unit in the City of Chico.

The Project includes 5 one-bedroom units, 18 two-bedroom units, 26 three-bedroom family units and a 2-bedroom manager's unit. The Project includes a community meeting room, kitchen, computer lab, laundry facility (in addition to laundry hookups in each unit), and supportive services office space. The Project design includes 5 buildings (three 3-story and two 2-story), on-site tenant parking, attractive landscaping, private and semi-public outdoor spaces, and children's play area. All buildings have incorporated universal design elements that will allow persons with disabilities to reside comfortably.

The Borrower is expected to break ground in July, 2012 and complete construction by August, 2013.

The Borrower has previously constructed or rehabilitated 60 multi-family housing properties in the last 10 years. This is the Borrower's first project being financed through CSCDA.

**Public Benefit:**

- Project Affordability
  - 100% of the Project's units will be income restricted:
    - 7 units reserved for tenants whose income is at or below 30% AMI
    - 42 units reserved for tenants whose income is at or below 60% AMI
    - 1 manager's 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 ¼ mile of a public transit corridor
  - The Project is located within ½ mile of a park or recreational facility
  - The Project will offer educational classes to tenants
  - The Project will offer an after school program to tenants
- Economic Benefits
  - Based upon \$10,050,000 Project costs using a 1.8 multiplier the Project produces \$18,090,000 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:** December 20, 2011, City of Chico, unanimous approval

**CDLAC Approval:** March 21, 2012

**Estimated Sources and Uses:****Sources:**

Tax-Exempt Bond Proceeds	\$6,900,000	68.66%
Low Income Housing Tax Credit	\$1,090,265	10.85%
Direct & Indirect Public Funds	\$1,883,441	18.74%
Other ( def. fee)	<u>\$176,294</u>	<u>1.75%</u>
Total Sources	\$10,050,000	100.00%

**Uses:**

Land Purchase	\$684,268	6.81%
Total Hard Construction Costs	\$5,764,954	57.36%
Architect & Engineering Fees	\$386,553	3.85%
Contractor Overhead & Profit	\$389,950	3.88%
Developer Fee	\$1,264,583	12.58%
Costs of Issuance	\$117,305	1.17%
Capitalized Interest	\$469,000	4.67%
Other Soft Costs	\$893,387	8.89%
Legal Fees	<u>\$80,000</u>	<u>0.80%</u>

Total Uses	\$10,050,000	100.00%
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- RDA Funds approved

**Finance Team:**

- Bond Counsel: Jones Hall, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Private Placement Lender: Rabobank, N.A.

**Financing Structure:**

During the construction phase the Bonds will mature in no more than 30 months and bear a variable interest rate. The Bonds will then be converted to the permanent phase for 30 years and bear a fixed interest rate. The projected true interest cost of the Bonds under current market conditions is 5.25%. The Bonds will be privately placed with Rabobank, N.A.

By using \$6,900,000 in CSCDA Bonds the Project is able to leverage an additional \$3,150,000 in other resources, for a ratio of 2.1 to 1.

**Policy Compliance:**

The Project complies with the following policies:

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

**Financing Approval:**

Based on the overall public benefits, as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of bonds by the City of Chico, and conformance to the CSCDA Issuance Policies, the Commission shall 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 Chico TEFRA Resolution
3. CDLAC Qualified Residential Rental Program Resolution Exhibit A



*Building Communities, Investing in Local Government Since 1988*

## Housing Bond Application

### APPLICANT INFORMATION

Application Number: **2011091**  
Name of Developer: **Community Action Agency of Butte County, Inc.**  
Primary Contact: **Stephanie Neumann**  
Title: **Project Manager**  
Address: **2255 Del Oro Avenue  
Oroville, CA 95965**  
Telephone Number: **(530) 990-8642**  
Fax Number: **(530) 533-7470**  
E-mail: **sneumann@buttecaa.com**

### BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation  
☐ Municipality ☒ Partnership  
☐ Other (specify): \_\_\_\_\_

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **TBD**

Date Established: **January 1967**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **1**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **60**

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **Rabobank, N.A**

Contact: **Debi Engelbrecht**

Address: **618 W. Main Street  
Visalia, CA 93291**

Telephone: **(559) 735-2270**

Fax: **(559) 735-2244**

E-mail: **debi.engelbrecht@rabobank.com**

#### BOND COUNSEL

Firm: **Jones Hall**

Contact: **Stephen Melikian**

Address: **650 California Street, Suite 1800  
San Francisco, CA 94108**

Telephone: **(415) 391-5780 Ext. 205**

Fax: **(415) 391-5784**

E-mail: **smelikian@joneshall.com**

Application Number: **2011091 - North Point Apartments**  
Name of Borrower: **Community Action Agency of Butte County, Inc.**

### PROJECT DESCRIPTION

Current Project Name: **North Point Apartments**  
New Project Name:  
Project Street Address: **3428-3432 Esplanade Avenue**  
City: **Chico** State: **CA** Zip Code: **95973**  
County: **Butte**  
Is Project located in unincorporated part of the County? **No**  
Total Number of Units: Market: **1** Restricted: **49** Total Units: **50**  
Lot Size: **2.3 acres**  
Amenities: **Community meeting room with kitchen, computer lab, laundry facility, and manager and resident services office space**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Wood Frame Five Two-story And Three-story Buildings**

Type of Housing: ☒ New Construction ☒ Family  
☐ Acq/Rehab ☐ Senior Is this an Assisted Living Facility? \_\_\_\_\_

City or county contact information:

Contact Name: **James Coles**  
Title: **Program Manager**  
Phone Number: **(530) 879-6302**  
Fax Number: **(530) 879-6399**  
E-mail: **jcoles@ci.chico.ca.us**

### PUBLIC BENEFIT

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **10% @ 30% and 90% @ 60%**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	30	1	\$281	\$736	\$455
1 Bedroom	60	4	\$565	\$736	\$171
2 Bedrooms	30	2	\$329	\$867	\$538
2 Bedrooms	60	16	\$685	\$867	\$182
3 Bedrooms	30	4	\$376	\$1,193	\$817
3 Bedrooms	60	22	\$828	\$1,193	\$365

Remarks:

**OTHER PUBLIC BENEFIT**

**SERVICES PROVIDED**

- ☒ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.  
☐ After school program of an on going nature for the minimum of 10 years.  
☒ Educational classes (which are not the same as the after school program) for a minimum of 10 years.  
☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.  
☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

**ENVIRONMENT**

**Energy**

Does the facility exceed Title 24 Standards? ☒ Yes ☐ No ☐ N/A

If Yes, by what percent? **15%**

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A

If Yes, what is the size in kWh? \_\_\_\_\_

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? \_\_\_\_\_

**Water**

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

Water-saving showerheads? ☒ Yes ☐ No ☐ N/A

Drought tolerant landscaping? ☒ Yes ☐ No ☐ N/A

Other, specify: \_\_\_\_\_

**Transportation**

Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/A

Does the entity maintain a fuel efficient fleet? ☒ Yes ☐ No ☐ N/A

**Waste**

Does the project provide recycling facilities? ☒ Yes ☐ No ☐ N/A

**WORKFORCE**

**Employment Creation**

Job Type/Description	During Construction	Post Construction
<u>Real estate development</u>	<u>0</u>	<u>0</u>

**GOVERNMENTAL INFORMATION**

Congressional District #	State Senate District #	State Assembly District #
<u>2</u>	<u>4</u>	<u>3</u>



Application Number: **2011091 - North Point Apartments**  
 Name of Borrower: **Community Action Agency of Butte County, Inc.**

### FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding  
 For Refundings only: Will you be applying for State Volume Cap? **No**  
 For Refundings only: Is this a transfer of property to a new owner? \_\_\_\_\_  
 Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

#### CONSTRUCTION FINANCING:

Credit Enhancement: ☐ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☒ Freddie Mac  
☐ Bond Insurance ☒ Other (specify): **private placement**

Name of Credit Enhancement Provider or Private Placement Purchaser: **Rabobank, N.A**

#### PERMANENT FINANCING:

Credit Enhancement: ☐ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☒ Freddie Mac  
☐ Bond Insurance ☒ Other (specify): **private placement**

Name of Credit Enhancement Provider or Private Placement Purchaser: **Rabobank, N.A**

Expected Rating: ☒ Unrated ☐ S & P \_\_\_\_\_  
☐ Moody's \_\_\_\_\_ ☐ Fitch \_\_\_\_\_

Projected State Allocation Pool: ☐ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

### SOURCES & USES

#### CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	<b>\$5,800,000</b>
Taxable Bond Proceeds:	
Tax Credits:	<b>\$2,678,245</b>
Developer Equity:	
Other Funds(Describe):	
City RDA	<b>\$547,000</b>
City HOME	<b>\$450,000</b>
FHLB	<b>\$500,000</b>
Deferred Fee	<b>\$372,059</b>
_____	_____

**TOTAL:** **\$10,347,304**

#### USES

Land Acquisition:	<b>\$734,234</b>
Building Acquisition:	
Construction or Remodel:	<b>\$6,405,607</b>
Cost of Issuance:	<b>\$151,390</b>
Capitalized Interest:	<b>\$460,000</b>
Reserves:	<b>\$130,000</b>
Other Funds(Describe):	
Other soft costs	<b>\$2,466,073</b>
_____	_____
_____	_____
_____	_____

**TOTAL:** **\$10,347,304**

Application Number: **2011091 - North Point Apartments**  
Name of Borrower: **Community Action Agency of Butte County, Inc.**

**PRINCIPAL FINANCE TEAM INFORMATION (continued)**

<b>FINANCIAL ADVISOR</b>	<b>REBATE ANALYST</b>
Firm: <b>California Community Economic Development Authority</b>	Firm: <b>TBD</b>
Contact: <b>Jan Laufik</b>	Contact:
Address: <b>244 S. San Pedro Street, Suite 412 Los Angeles, CA 90012</b>	Address:
Telephone: <b>(858) 692-4216</b>	Telephone:
Fax: <b>(858) 792-2356</b>	Fax:
E-mail: <b>jan@cceda.com</b>	E-mail:

**ADDITIONAL REQUIREMENT**

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
A	\$5,000 non-refundable* application fee payable to "California Communities."  *Refundable only if financing not approved.

**MAILING ADDRESS**

California Communities®  
2033 N. Main St., Suite 700  
Walnut Creek, CA 94596

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO  
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY  
HOUSING REVENUE BONDS FOR NORTH POINT APARTMENTS

WHEREAS, the California Statewide Communities Development Authority (the "Authority"), of which the City of Chico (the "City") is a member pursuant to the provisions of that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988 (the "Agreement"), is authorized by the laws of the State of California (the "Law") to issue tax-exempt obligations and taxable obligations for the purpose of financing multifamily rental housing to be occupied, in whole or in part, by persons or families of low and very low income; and

WHEREAS, a limited partnership or a limited liability company to be established by the Community Action Agency of Butte County, Inc., or an affiliate thereof (the "Borrower"), intends to acquire and construct a 50 unit multifamily housing development named North Point Apartments (the "Project") located at 3418, 3428 and 3432 Esplanade Avenue in the City of Chico, County of Butte, California, and has requested the California Statewide Communities Development Authority (the "Authority") to issue tax-exempt bonds in the not-to-exceed amount of \$7,000,000 (the "Bonds"), the proceeds of which shall be used for the purpose of financing the acquisition and construction of the Project; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986 (the "Code") requires that the "applicable elected representative" with respect to the Project to approve the issuance of the Bonds with respect to the Project after a public hearing has been held concerning the issuance and delivery of the Bonds with respect to the Project; and

WHEREAS, the City Council of the City of Chico (the "City Council") is the elected legislative body of the City of Chico (the "City") and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, this City Council has, on December 20, 2011, held said public hearing at

DATE 12/20/11 AGENDA 12/20/11 COUN  
ADD. INFO CM ACM CA  
GSD CPSD ASD CLK PSD  
BDSD HR/RM FIN.D COP FC  
HNSD ☒ File OTHER

1 which all those interest in speaking with respect to the financing of the Project were heard;

2 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
3 CHICO, AS FOLLOWS;

4 Section 1. The City Council hereby finds and determines that the foregoing recitals are  
5 true and correct.

6 Section 2. This City Council hereby approves the issuance of the Bonds with respect to the  
7 Project by the Authority.

8 Section 3. The issuance and delivery of the Bonds shall be subject to the approval of and  
9 execution by the Authority of all financing documents relating thereto to which the Authority is a  
10 party and subject to the sale of the Bonds by the Authority.

11 Section 4. The Borrower shall be responsible for the payment of all present and future costs  
12 in connection with the issuance of the Bonds, including, but not limited to, any fees and expenses  
13 incurred by the City in anticipation of the issuance of the Bonds. The payment of the principal,  
14 prepayment premium, if any, and purchase price of and interest on the Bonds shall be solely the  
15 responsibility of Borrower. The Bonds shall not constitute a debt or obligation of the City.

16 Section 5. This City Council hereby determines that it is appropriate for the Authority to  
17 cause the issuance of the Bonds to finance the acquisition and construction of the Project and hereby  
18 approves the issuance of the Bonds. It is the purpose and intent of this City Council that this  
19 resolution constitute approval of the Bonds for the purposes of Section 9 of the Agreement.

20 Section 6. The adoption of this Resolution is solely for the purpose of meeting the  
21 requirements of the Code and Section 9 of the Agreement and shall not be construed in any other  
22 manner, the City nor its staff having fully reviewed or considered the financial feasibility of the  
23 financing of the Project or the expected operation of the Project with regards to any State of  
24 California statutory requirements, and such adoption shall not obligate, without further formal action  
25 to be taken by this City Council, (i) the City to provide financing to the Borrower for the financing  
26 of the acquisition and construction of the Project or to cause the delivery of the Bonds for the  
27 purpose of such financing; or (ii) the City, or any department of the City, to approve any application  
28

1 or request for, or take any other action in connection with the ownership or operation of the Project.

2 Section 7. The City Clerk shall forward a certified copy of this Resolution to:

3 Stephen G. Melikian

4 Jones Hall, A Professional Law Corporation

5 650 California Street, 18<sup>th</sup> Floor

6 San Francisco, California 94108

7 Section 8. This Resolution shall take effect from and after the date of its passage and  
8 adoption.

9 THE FOREGOING RESOLUTION WAS ADOPTED at a meeting of the City Council of  
10 the City of Chico held on December 20, 2011, by the following vote:

11 AYES: Evans, Goloff, Gruendl, Holcombe, Sorensen, Walker, Schwab

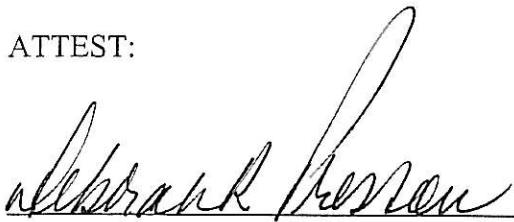
12 NOES: None

13 DISQUALIFIED: None

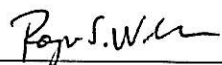
14 ABSENT: None

15 ABSTAIN: None

16  
17 ATTEST:

18  
19  
20   
21 Deborah R. Presson  
22 City Clerk

APPROVED AS TO FORM:

23  
24  
25   
26 Lori J. Barker, City Attorney  
27 By: Roger S. Wilson  
28 Assistant City Attorney

**RESOLUTION NO. 12-022**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 12-016
3. Project Sponsor: Community Action Agency of Butte County, Inc.
4. Project Management Co.: Community Housing Improvement Program
5. Project Name: North Point Apartments
6. Type of Project: New Construction/Family
7. Location: Chico, CA
8. Private Placement Purchaser: Rabobank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
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 7 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 42 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. **Not Applicable**
16. A minimum of \$5,250,000 of public funds will be expended for the Project. **Applicable**



**RESOLUTION NO. 12-022**

**Exhibit A**

Page 2 of 3

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 26 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. **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. 12-022**

**Exhibit A**

Page 3 of 3

27. Applicants shall provide a certification of their intent to utilize 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**
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 **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% **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) **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**
35. The Project will provide evidence to the committee from the State Department of Finance that its RDA funding is an enforceable obligation: **Applicable**



**Item VI**

Discuss and Approve Higher Education Policy.

### **CSCDA Higher Education Policy**

It is the policy of the California Statewide Communities Development Authority (the "Authority") to consider favorably the issuance of bonds, notes or other evidences of indebtedness (the "Bonds") for the financing or refinancing of higher educational facilities to be utilized by a non-profit organization (the "Applicant") provided that the Applicant does not discriminate on the basis of a student or teacher's national or ethnic origin, disability, race, creed, color, sexual preference or religion in the administration of its admission or hiring policies. Additionally, per the CSCDA General Guidelines the Applicant must demonstrate that the community will receive a public benefit as a result of the financing or refinancing of the Applicant's facilities.

The requirements as listed above will apply to the financing or refinancing of facilities that will be used for higher educational facilities. The Authority will consider each request for approval of projects not adhering to the Authority's requirements as described above on a case-by-case basis.

The Authority may review the requirements as listed above from time to time and at such time will make any modifications to such requirements as the Authority deems appropriate.

Effective Date: June 6, 2012

## Item VII

Discuss Eligible SCIP Fees.

# Eligible Fees and Improvements

- Fees for infrastructure to be owned by public agency
  - Does not include school, housing, fire, and police fees
- Improvements identified in the 1913 / 1915 Assessment Act, including but not limited to, are listed below:



## Eligible Improvements

- |                        |                                 |
|------------------------|---------------------------------|
| ▪ Street and Roadways  | ▪ Street lighting               |
| ▪ Freeway Interchanges | ▪ Parking                       |
| ▪ Pedestrian Malls     | ▪ Landscaping                   |
| ▪ Sidewalks            | ▪ Sewer and Pipelines           |
| ▪ Storm Drainage       | ▪ Parks and Parkways            |
| ▪ Flood Control        | ▪ Bridges and Thoroughfares     |
| ▪ Water Supply         | ▪ Bicycle and Pedestrian Trails |
| ▪ Gas Supply           | ▪ Open Space and Greenbelts     |