



Agenda

Tuesday, July 10, 2018

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
2. **APPROVAL OF MINUTES**
Approval of the minutes from the June 5, 2018 regular meeting.
3. **CONSENT CALENDAR**
 - A. Approve engagement letter with WIPFLi for upcoming CalPFA audit year ending June 30, 2018.
 - B. Consideration of Invoice Request 18-03IR for WIPFLi for financial statement audit June 30, 2017.
 - C. Consideration of Invoice request 18-04IR for US Bank for bank fees to the CalPFA.
4. **NEW BUSINESS**
 - A. Consideration of approving resolution 18-05A for St. Anton ECR, LP (St. Anton ECR Apartments), City of Sunnyvale, County of Santa Clara; up to \$60,000,000 of revenue notes. (Staff – Mike LaPierre)
 - B. Consideration of approving resolution 18-06A for Hope on Alvarado, LP (Hope on Alvarado Apartments), City of Los Angeles, County of Los Angeles; up to \$25,000,000 of revenue bonds. (Staff – Mike LaPierre)
5. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
6. **STAFF UPDATES**
7. **ADJOURNMENT**
Adjourn as the California Public Finance Authority.



2. **APPROVAL OF MINUTES**

Approval of the minutes from the June 5, 2018 regular meeting.



Action Summary

Tuesday, June 5, 2018

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

B 1

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
ALL MEMBERS PRESENT

2. **APPROVAL OF MINUTES**
Approval of the minutes from the May 22, 2018 regular meeting.
ACTION: APPROVED AS PRESENTED (JN/RF/DV/CP/RV-Aye)

3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 18-04I for:
 1. Main Street Plaza Apartments, L.P. (Main Street Plaza Apartments), City of Roseville, County of Placer; up to \$15,000,000 of revenue bonds.
 2. LSA Homeless 1, LP (110117 Tujunga), City of Los Angeles, County of Los Angeles; up to \$7,000,000 of revenue bonds.
 3. LSA Homeless 1, LP (2919 Broadway), City of Los Angeles, County of Los Angeles; up to \$10,000,000 of revenue bonds.
 4. LSA Homeless 1, LP (1217 S Alvarado), City of Los Angeles, County of Los Angeles; up to \$8,000,000 of revenue bonds.**ACTION: APPROVED AS PRESENTED (JN/CP/RF/DV/RV-Aye)**

4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. None

5. **STAFF UPDATES**
None

6. **ADJOURNMENT**
The meeting was adjourned at 11:15 a.m.



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

3. CONSENT CALENDAR

- A.** Approve engagement letter with WIPFLi for upcoming CalPFA audit year ending June 30, 2018.
- B.** Consideration of Invoice Request 18-03IR for WIPFLi for financial statement audit June 30, 2017.
- C.** Consideration of Invoice request 18-04IR for US Bank for bank fees to the CalPFA.



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June 11, 2018

Board of Directors, c/o Amy Stoneham
California Public Finance Authority
299 Oak Road, Suite 710
Walnut Creek, CA 94597

Dear Board of Directors:

We are pleased to serve as independent auditors for California Public Finance Authority (the "Authority") for the year ended June 30, 2018. The purpose of this Engagement Letter (this "Letter") is to review certain details of our engagement.

Audit Services

We will audit the financial statements and the related notes to the financial statements of the California Public Finance Authority. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the California Public Finance Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the California Public Finance Authority's RSI in accordance with auditing standards generally accepted in the United States. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The Management's Discussion and Analysis is required by generally accepted accounting principles and will be subjected to certain limited procedures but will not be audited.

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit will be conducted in accordance with auditing standards generally accepted in the United States (GAAS) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the California Public Finance Authority's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there exists an unavoidable risk that some material misstatements may exist and not be detected even though our audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of law or government regulations that do not have a direct and material effect on the financial statements. However, we will inform the California Public Finance Authority management and you of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the California Public Finance Authority's management and you of any violations of law or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing, and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and your internal control related matters that are required to be communicated under professional standards.

We cannot perform management functions or make management decisions on behalf of the Authority. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application and may assist in the preparation of the Authority's financial statements, but the responsibility for the financial statements remains with management.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

Management is also responsible for making all financial records and related information available to us, for the accuracy and completeness of that information, and for providing us with (a) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the California Public Finance Authority from whom we determine it necessary to obtain audit evidence.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the California Public Finance Authority involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements.

You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the California Public Finance Authority received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Assistance to be supplied by your personnel, including the preparation of schedules and analysis of accounts, will be discussed with Ms. Amy Stoneham. Timely completion of this work will facilitate the completion of our engagement.

As required by GAAS, at the close of the audit we will request from management certain written confirmation concerning oral and written representations made to us in connection with the audit in order to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding.

If the California Public Finance Authority intends to reproduce or publish these financial statements, or any portion thereof whether in paper or electronic form subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. The California Public Finance Authority agrees to compensate Wipfli for the time associated with such review.

Other

We may prepare a draft of your financial statements and related notes. You will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

You are responsible for assuming all management responsibilities and for overseeing these services by designating an individual, preferably within senior management, with suitable skill, knowledge, and/or experience. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Our fees will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of the Authority the fee for this engagement will be \$17,000. In addition, expenses are billed for reimbursement as incurred. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are estimated at \$2,000. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission. Interest at the lesser of 1% per month or the maximum rate permitted by law, except where prohibited by law, will be charged on the portion of your balance that is over 30 days.

This engagement includes only those services specifically described in this Letter; any additional services not specified herein will be agreed to in a separate letter. This engagement is separate and discrete from our engagement to audit any prior or future years, and any such engagements are or will be covered by a separate engagement letter.

In the event you request us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against the Authority or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, you agree to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to the California Public Finance Authority, any of our professional project team members, as necessary, to provide quality and timely service to the California Public Finance Authority. From time to time, and depending upon circumstances, personnel from affiliates of Wipfli and other Wipfli-related entities or any of their respective affiliates or from independent third-party services providers (including independent contractors) may participate in providing services related to our engagement hereunder. In addition, Wipfli may utilize cloud-based services in connection with the delivery of certain services. Solely for the purpose of rendering services hereunder, California Public Finance Authority acknowledges that we may share with these parties information obtained in the course of rendering our services. Wipfli remains committed to maintaining the confidentiality and security of California Public Finance Authority information, and accordingly, Wipfli maintains internal policies, procedures, and safeguards to protect the confidentiality of client information and, in addition, ensures that our agreements with all service providers appropriately maintain and protect the confidentiality of California Public Finance Authority's information. Some persons who own an interest in Wipfli may not be licensed as Certified Public Accounts and may provide services related to this engagement.

The working papers prepared in conjunction with our audit are our property and constitute confidential information. They will be retained by us in accordance with our policies and procedures. All of the California Public Finance Authority's original records will be returned to management at the end of this engagement. Our working papers and files are not a substitute for the original records the California Public Finance Authority should retain. We understand that we are authorized to respond directly to inquiries from the cognizant agencies including requests to review audit workpapers. Access to the requested workpapers will be provided to the cognizant agencies under the supervision of Wipfli LLP's audit personnel and at a location designated by our firm. We will notify you of any such inquiries or requests and of our reply thereto.

Mr. Zachary Mayer will be your audit engagement partner.

Professional and certain regulatory standards require us to be independent, in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to any nonattest services we may be asked to perform. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

June 11, 2018

Whenever possible, each provision of this Letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretations, but if any provision is deemed prohibited, invalid, or otherwise unenforceable, such provision shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and such revised provision shall be made a part of this Letter. Further, the provisions of the foregoing sentence shall not invalidate the remainder of this Letter. This Letter shall be construed and governed in accordance with laws of the state in which the Wipfli office issuing this Letter is located, as determined by the address indicated on this Letter, and proper jurisdiction and venue for any matter hereunder shall be the state or federal courts of that state.

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Sincerely,



Wipfli LLP

ACCEPTED: CALIFORNIA PUBLIC FINANCE AUTHORITY

By: _____

(Print Name and Title)

Date: _____

ZDM/sek

Enc.



CPAs and Consultants

2501 West Beltline Highway, Ste 401
PO Box 8700
Madison WI 53713
Federal ID# 39-0758449

INVOICE

California Public Finance Authority
2999 Oak Rd Ste 710
Walnut Creek CA 94597

Date: 04/20/18
Page: 1
Client #: 425645
Invoice #: 1251977
Billor: Zachary Mayer
Phone: (608) 270-2909
Email: zmayer@wipfli.com

ACCOUNTS DUE AND PAYABLE WITHIN 30 DAYS

Final billing for CalPFA June 30, 2017, financial statement audit	7,500.00
Direct expenses: Postage	9.04
Total	<u>\$ 7,509.04</u>

***** Please return remittance coupon with payment *****

All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law.

Remit payment to:

WIPFLI LLP
PO BOX 3160
MILWAUKEE WI 53201-3160

California Public Finance Authority
Client #: 425645
Invoice #: 1251977
Amount Due: \$7,509.04

0425645 1251977 00007509043



MK-WI-S300
 1555 N. RiverCenter Dr. Ste 300
 Milwaukee, WI 53212

Billing Period:	01/01/2018-03/31/2018
Invoice Number:	10989891
Account Number:	6745041900
Invoice Date:	04/25/2018
Direct Inquiries To:	FRANCISCO RODRIGUEZ
Phone:	213-443-1455

CALIFORNIA PUBLIC FINANCE AUTHORITY
 ATTN: HUILING REN
 2999 OAK ROAD, SUITE 710
 WALNUT CREEK, CA 94597

CALPFA ANNUAL FEES

The following is a statement of transactions pertaining to your account. For further information, please review the attached.

STATEMENT SUMMARY

Unpaid Balance from Prior Fee Statements	\$1,250.00
Payments through 04/05/2018	(\$1,250.00)
Current Invoice (for detail see attached)	\$1,250.00
Balance Due	\$1,250.00

All invoices are due upon receipt.

Please detach at perforation and return bottom portion of the statement with your check, payable to U.S. Bank.

**CALIFORNIA PUBLIC FINANCE AUTHORITY
 ANNUAL FEES**

Invoice Number:	10989891
Account Number:	6745041900
Current Due:	\$1,250.00
Past Due:	\$0.00
Total Due:	\$1,250.00
Direct Inquiries To:	FRANCISCO RODRIGUEZ
Phone:	213-443-1455

Wire Instructions:
 U.S. Bank
 ABA # 091000022
 Acct # 1-801-5013-5135
 Trust Acct # 6745041900
 Invoice # 10989891
 Attn: Fee Dept St. Paul

Please mail payments to:
 U.S. Bank
 CM-9703
 PO BOX 70870
 St. Paul, MN 55170-9703



4. NEW BUSINESS

A. Consideration of approving resolution 18-05A for St. Anton ECR, LP (St. Anton ECR Apartments), City of Sunnyvale, County of Santa Clara; up to \$60,000,000 of revenue notes. (Staff – Mike LaPierre)



CALIFORNIA PUBLIC FINANCE AUTHORITY

DATE: JULY 10, 2018

APPLICANT: ST. ANTON ECR, LP

AMOUNT: UP TO \$60,000,000 IN REVENUE NOTES

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

St. Anton ECR, LP (the "Borrower") has requested that CalPFA issue revenue notes to assist in the construction and development of St. Anton ECR Apartments (the "Project"). The Project will be a newly constructed 108-unit mixed-income project located on a 2.13 acre site on the south side of East El Camino Real and just east of Poplar Avenue in Sunnyvale, California. The Project application was filed on December 20, 2017, induced on January 9, 2018, and received an allocation of tax exempt bonds on May 16, 2018.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver multifamily housing revenue notes in an amount not to exceed \$60,000,000 (the "Notes") to finance the construction and development of the Project. The Project will provide the City of Sunnyvale with 108 multifamily units, 22 of which will be income and rent restricted. Of the 108 apartment homes, there are approximately 10 studios, 53 one-bedrooms and 45 two-bedroom units being constructed. The square footages for the studios are 608 square feet, one-bedrooms are 772-775 square feet, the two-bedrooms are 1,060-1,406 square feet.

The Project has a diverse set of housing types, unit mixes and a commercial component. Architectural elements such as smooth stucco, stone veneer and wood trellises are incorporated in the Spanish mission-style design. The primary building, which fronts East El Camino Real, is a Type VA wood framed structure built over a Type I podium with a subterranean garage. The building exteriors include varying fenestration accented with extensive trim painting schemes.

Indoor and outdoor amenities include a swimming pool and spa, roof deck with kitchen and movie theatre, clubroom, gaming center, multiple barbecue areas, entertainment terrace, indoor/outdoor fitness center, pet spa, bike lounge and outdoor dining and lounge area.

TEFRA Information:

TEFRA hearings were held and approved by the City of Sunnyvale on January 23, 2018 and by Kings County on January 30, 2018.

Financing Structure:

The construction Notes will be privately placed and mature in no more than 36 months. The financing will then convert to permanent financing for 15 years. Interest will be fixed and is expected to be around 5.13%. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax Exempt Proceeds	\$47,000,000
LIHTC Equity	\$3,358,795
Limited Partner Equity	<u>\$7,997,187</u>
Total Sources	\$58,355,982

Uses:

Acquisition Cost	\$9,285,583
Demolition	\$288,750
Hard Construction Costs	\$32,996,707
Legal Fees	\$95,000
Architect & Engineering Fees	\$1,097,533
Construction Interest & Fees	\$2,767,604
Financing Costs	\$2,017,968
Impact Fees	\$3,315,600
Developer Fee	\$3,000,000
Other Soft Costs (Marketing, Etc.)	<u>\$3,491,237</u>
Total Uses	\$58,355,982

Recommendations:

Based on the overall Project public benefit detailed on Attachment 1, it is recommended that the Board approve the Resolution as submitted to the Board, which:

1. Approves the issuance of the Notes;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.

Attachment 1

Public Benefits:

- Construction of 108 new units of housing
- 20% of the Project's units will be income and rent restricted for the very low income
 - 22 units at 50% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a park
 - The Project is located within ½ mile of a grocery store
 - The Project is located within a mile of a public school

RESOLUTION NO. 18-05A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT TO BE GENERALLY KNOWN AS ST. ANTON ECR APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Public Finance Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Joint Exercise of Powers Agreement, dated as of May 12, 2015, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction/rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, St. Anton ECR, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Public Finance Authority Multifamily Housing Revenue Note (St. Anton ECR Apartments) 2018 Series E (the “Note”) to assist in the financing of the construction and development of a 108-unit multifamily housing rental development to be located in the City of Sunnyvale, California, and to be known as St. Anton ECR Apartments (the “Project”);

WHEREAS, on May 16, 2018, the Authority received an allocation in the amount of \$47,000,000 the (“Original Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project, and may apply for an additional allocation (the “Supplemental Allocation Amount” and, together with the Original Allocation Amount, the “Allocation Amount”);

WHEREAS, the County of Kings is a Charter Member (as defined in the Agreement) of the Authority and the City of Sunnyvale is an Additional Member (as defined in the Agreement) and each has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$60,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

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

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto;

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into among the Funding Lender, the Authority and Wilmington Trust, National Association as fiscal agent (the “Fiscal Agent”);

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

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note. The Note, and any note or other evidence of indebtedness that may be delivered in connection with the Supplemental Allocation Amount, shall be designated as “California Public Finance Authority Multifamily Housing Revenue Note (St. Anton ECR Apartments) 2018 Series E” or such other designation of the Authority and including, if and to the extent necessary, one or more series or sub-series designations, with appropriate modifications for such series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$60,000,000; provided that the aggregate principal amount of any such tax-exempt obligations executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Treasurer and Secretary of the Authority, or the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be

deemed to constitute a debt or liability of the Authority or any Member of the Authority or any Director of the Board of the Authority (each, a “Director”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Director, including any such Director acting as an officer of the Board, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17-01C of the Authority, adopted on April 25, 2017) (together with the Directors including any such Director acting as an officer of the Board, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond July 1, 2063), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

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

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

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PASSED AND ADOPTED by the California Public Finance Authority this July 10, 2018.

The undersigned, an Authorized Signatory of the California Public Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of the Authority at a duly called meeting of the Board of the Authority held in accordance with law on July 10, 2018.

By _____
Authorized Signatory

EXHIBIT A
GOOD FAITH ESTIMATES

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Public Financing Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its board of directors (the “Board”) at which Meeting the Board will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: St. Anton ECR, LP
2. Authority Meeting Date: July 10, 2018.
3. Name of Obligations: California Public Financing Authority Multifamily Housing Revenue Note (St. Anton ECR Apartments) 2018 Series E.
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 5.13% (10-Year Treasury + Freddie Mac Spread)
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$2,105,900
 - (C) The amount of proceeds received by the Borrower for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$47,398,612

- (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$103,373,850.95
5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, X presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: July 10, 2018



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

4. **NEW BUSINESS**

B. Consideration of approving resolution 18-06A for Hope on Alvarado, LP (Hope on Alvarado Apartments), City of Los Angeles, County of Los Angeles; up to \$25,000,000 of revenue bonds. (Staff – Mike LaPierre)



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

DATE: JULY 10, 2018

APPLICANT: HOPE ON ALVARADO, LP

AMOUNT: UP TO \$25,000,000 IN REVENUE BONDS

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Hope on Alvarado, LP (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, construction and development of the Hope on Alvarado Apartments, located at 166 S. Alvarado Street in Los Angeles, California (the "Project"). The Project application was filed on November 10, 2016, induced on November 15, 2016, and received an allocation of tax exempt bonds on March 21, 2018.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$25,000,000 (the "Bonds") to finance the acquisition, construction and development of the Project. The Project will be an 84 unit new construction affordable residential apartment community that will provide permanent supportive housing for chronically homeless individuals. All units are expected to benefit from subsidy and as such, the annual incomes for income-eligible households will range from \$0 to \$37,860.

The Project will consist of one five-story elevator-serviced residential building located on a .44 acre infill site. Unit amenities will include a blinds, central heating and air conditioning, faux hardwood flooring, coat closets, and ceiling fans. All of the units will also be fully furnished with a small table and two chairs and a bed frame. Appliances will include refrigerators, two-burner electric cooktops, and microwaves. Community areas will offer a courtyard, elevators, exercise facility, central laundry room, on-site management, a picnic area, recreation areas, a library, an activity coordinator, social services provided by the County of Los Angeles Department of Health Services (DHS), which will include four dedicated case managers to offer wrap around social services, and a medical clinic on the ground floor of the building. Construction is expected to begin in August 2018.

TEFRA Information:

TEFRA hearings were held by the City of Los Angeles on December 13, 2017 and by Kings County on November 14, 2017.

Financing Structure:

The construction Bonds will be privately placed and mature in no more than 21 months. The Bonds will then convert to permanent financing for 15 years. Interest will be fixed and is expected to be around 4.75%. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$21,000,000
LIHTC Equity	\$1,916,474
Deferred Costs	\$2,359,133
<u>Seller Carryback Loan</u>	<u>\$1,800,000</u>
Total Sources	\$27,075,607

Uses:

Acquisition	\$7,800,000
Hard Construction Costs	\$11,611,388
Contractor Overhead & Profit	\$868,784
Architectural Costs	\$700,000
Survey & Engineering	\$25,000
Construction Fees	\$928,149
Permanent Financing Costs	\$386,833
Legal Fees	\$107,500
Reserves	\$604,658
Appraisal	\$7,100
Construction Contingency	\$1,238,017
Soft Costs	\$439,045
Developer Overhead	<u>\$2,359,133</u>
Total Uses	\$27,075,607

Recommendations:

Based on the overall Project public benefit detailed on Attachment 1, it is recommended that the Board approve the Resolution as submitted to the Board, 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 Board or authorized signatory to sign all necessary documents.

Attachment 1

Public Benefits:

- 100% of the Project's units will be income and rent restricted
 - 20 units at 50% AMI
 - 63 units at 60% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for 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 a mile of a hospital
 - The Project is located within a mile of a public school
 - The Project is providing housing and support services for chronically homeless individuals

RESOLUTION NO. 18-06A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS HOPE ON ALVARADO APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

WHEREAS, the California Public Finance Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Joint Exercise of Powers Agreement, dated as of May 12, 2015, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition, construction, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Hope on Alvarado, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the construction and development of an 84-unit (including one manager’s unit) multifamily rental housing development to be located in the City of Los Angeles (the “City”), County of Los Angeles, California, and to be known as Hope on Alvarado Apartments (the “Project”);

WHEREAS, the Authority received an allocation in the amount of \$20,000,000 (the “Allocation Amount”), on March 21, 2018, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to issue not to exceed \$25,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Hope on Alvarado Apartments) 2018 Series D-1 and its Multifamily Housing Revenue Bonds (Hope on Alvarado Apartments) 2018 Series D-2 (collectively the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto;

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

- (1) Indenture of Trust (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);
- (2) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;
- (3) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and a purchaser of the Bonds to be determined (the “Purchaser”); and
- (4) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee.

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Public Finance Authority Multifamily Housing Revenue Bonds (Hope on Alvarado Apartments) 2018 Series D-1” and “California Public Finance Authority Multifamily Housing Revenue Bonds (Hope on Alvarado Apartments) 2018 Series D-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$25,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Treasurer and Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Member of the Authority or any Director of the Board of the Authority (each, a “Director”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Director, including any such Director acting as an officer of the Board, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17-01C of the Authority, adopted on April 25, 2017) (together with the Directors, including any such Director acting as an officer of the Board, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond July 1, 2063), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby

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

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Board, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 10th day of July 2018.

The undersigned, an Authorized Signatory of the California Public Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of the Authority at a duly called meeting of the Board of the Authority held in accordance with law on July 10, 2018.

By: _____
Authorized Signatory

EXHIBIT A
GOOD FAITH ESTIMATES

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Public Financing Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its board of directors (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: Hope on Alvarado, LP

2. Authority Meeting Date: July 10, 2018.

3. Name of Obligations: California Public Financing Authority Multifamily Housing Revenue Bonds (Hope on Alvarado Apartments) 2018 Series D-1 and D-2.

4. X Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.75%

 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$450,000 (R4CF Fees + Legal & Inspecting Engineer)

 - (C) The amount of proceeds received by the Borrower for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$18,280,000

(D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$42,800,000 (Includes construction period paydown of estimated \$2,720,000)

5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, X presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: July 10, 2018