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# Agenda

Tuesday, September 20, 2016

**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 August 30, 2016 regular meeting.
  
3.        **CONSENT CALENDAR**  
          **A.** Consideration of approving an inducement resolution 16-06I for:  
              **1.** Willowbrook Affordable Communities, L.P. (Willowbrook Apartments), City of Bay Point, County of Contra Costa; up to \$17,000,000 of revenue bonds.  
          **B.** Consideration of approving resolution 16-08M for the addition of program participants to the Authority.
  
4.        **NEW BUSINESS ACTION ITEMS**  
          **A.** Consideration of approving resolution 16-03A for New Village East, LP, City of Stockton, County of San Joaquin; up to \$18,000,000 of revenue bonds. (Staff – Caitlin Lanctot)  
          **B.** Consideration of approving resolution 16-04A for Mountain View Community Partners, LP, City of Cathedral City, County of Riverside; up to \$21,590,000 of revenue bonds. (Staff – Caitlin Lanctot)
  
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 August 30, 2016 regular meeting.



## *Action Summary*

Tuesday, August 30, 2016

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

**Time:** 11:00 a.m.

1.    **B 1**      **CALL TO ORDER**  
**ROLL CALL – Clerk to the Board**  
**ALL MEMBERS PRESENT**
  
2.            **APPROVAL OF MINUTES**  
Approval of the minutes from the August 2, 2016 regular meeting.  
**ACTION: APPROVED AS PRESENTED (JN/RF/RV/DV-Aye, CP -Abstain)**
  
3.            **CONSENT CALENDAR**  
A. Consideration of approving resolution 16-07M for the addition of program participant to the Authority.  
**ACTION: APPROVED AS PRESENTED (RV/CP/JN/RF/DV-Aye)**
  
4.            **NEW BUSINESS**  
A. Consideration of approving deferral of GPM Municipal Advisors, LLC municipal advisory fee. (Staff – Mike LaPierre)  
**ACTION: APPROVED AS PRESENTED (CP/JN/RV/RF/DV-Aye)**  
B. Consideration of Invoice Request 16-02IR for US Bank for services as custodian to CalPFA accounts.  
**ACTION: APPROVED AS PRESENTED (JN/RF/RV/CP/DV-Aye)**
  
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.*  
**None**
  
6.            **STAFF UPDATES**  
**None**
  
7.            **ADJOURNMENT**  
*The meeting was adjourned at 11:10 a.m.*



CALIFORNIA  
PUBLIC  
FINANCE  
AUTHORITY

**3. CONSENT CALENDAR**

- A.** Consideration of approving an inducement resolution 16-06I for:
  - 1. Willowbrook Affordable Communities, L.P. (Willowbrook Apartments), City of Bay Point, County of Contra Costa; up to \$17,000,000 of revenue bonds.
- B.** Consideration of approving resolution 16-08M for the addition of program participants to the Authority.

**RESOLUTION NO. 16-06I**

**A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE  
AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL  
INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE  
BONDS TO UNDERTAKE THE FINANCING OF VARIOUS  
MULTIFAMILY RENTAL HOUSING PROJECTS AND RELATED  
ACTIONS**

**WHEREAS**, California Public Finance Authority (the "Authority") is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

**WHEREAS**, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

**WHEREAS**, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

**WHEREAS**, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

**WHEREAS**, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

**WHEREAS**, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

**WHEREAS**, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

**PASSED AND ADOPTED** by the California Public Finance Authority this 20<sup>th</sup> day of September, 2016.

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 Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on September 20, 2016.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Willowbrook Apartments	City of Bay Point, County of Contra Costa	72	Acquisition and Rehabilitation	Willowbrook Affordable Communities, L.P.	\$17,000,000



**RESOLUTION NO. 16-08M**

**RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY APPROVING  
AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE  
AUTHORITY**

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WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member (an "Additional Member") upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board approving the addition of such public agency as an Additional Member;

WHEREAS, the Cities and/or Counties listed on Exhibit A hereto (the "City/County") have by resolution requested to join the Authority and the Authority has authorized each such City/County to become an Additional Member pursuant to the provisions of the Agreement;

WHEREAS, the Board hereby finds and determines that each City/County is qualified to be added as an Additional Member to the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of the California Public Finance Authority, as follows:

Section 1. This Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of the Cities and/or Counties listed on Exhibit A hereto as Additional Members of the Authority is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of each City/County is hereby approved, confirmed and ratified.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Public Finance Authority this 20<sup>th</sup> day of September, 2016.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on September 20, 2016.

By: \_\_\_\_\_  
Authorized Signatory  
California Public Finance Authority

**EXHIBIT A**

**ADDITION OF CITIES AND/OR COUNTIES AS ADDITIONAL MEMBERS OF THE  
CALIFORNIA PUBLIC FINANCE AUTHORITY**

1. City of Livermore
2. City of Redwood City
3. City of Santa Clarita



**4. NEW BUSINESS**

**A.** Consideration of approving resolution 16-03A for New Village East, LP, City of Stockton, County of San Joaquin; up to \$18,000,000 of revenue bonds. (Staff – Caitlin Lancot)

**B.** Consideration of approving resolution 16-04A for Mountain View Community Partners, LP, City of Cathedral City, County of Riverside; up to \$21,590,000 of revenue bonds. (Staff – Caitlin Lancot)



CALIFORNIA  
PUBLIC  
FINANCE  
AUTHORITY

**DATE:** SEPTEMBER 20, 2016

**APPLICANT:** NEW VILLAGE EAST, L.P.

**AMOUNT:** UP TO \$18,000,000 IN REVENUE BONDS

**PURPOSE:** FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

**PRIMARY ACTIVITY:** AFFORDABLE HOUSING

**Background:**

New Village East, L.P. (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, construction, rehabilitation and development of Village East Apartments, located at 2501 East Lafayette Street in Stockton, California (the "Project"). The Project is an existing 189 unit apartment complex for low-income families. The Project application was filed on December 9, 2015, induced on December 15, 2015 and received an allocation of tax exempt bonds on July 20, 2016.

**Description of Proposed Project:**

The Borrower has requested CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$18,000,000 (the "Bonds") to finance the acquisition, construction, rehabilitation and development of the Project. There are currently a total of 189 units in 22 residential buildings on site. The buildings range in size from 5 to 16 units. The buildings are of average-quality wood-frame construction. They were originally built in 1964 and underwent a major rehabilitation in 2004. The units are separately metered for electricity and gas. There are 180 parking spaces on site, for a ratio of 0.95 spaces per unit.

The Property is targeted to serve low-income families. The units will be restricted to households earning not more than 60% of Area Median Income ("AMI"), with at least 20% of the units restricted to 50% AMI. There are 46 one-bedroom, 98 two-bedroom and 47 three-bedroom units on site.

The rehab scope includes bringing current a number of the building systems and in-unit amenities. Work to be completed, as appropriate for each unit/building, includes: new roofs, exterior painting, sliding glass doors and door coverings, new kitchen cabinets, countertops, sinks, disposals and appliances, new toilets, bathroom vanities, fixtures and bath fans, new AC compressors and hot water heaters, and drywall repairs.

Construction is scheduled to start in October 2016 and be completed by August 2017.

**TEFRA Information:**

TEFRA hearings were held by the City of Stockton on March 29, 2016 and by Kings County on March 8, 2016.

**Financing Structure:**

The Bonds in the approximate amount of \$15,200,000 will be fully funded, publicly offered short-term cash backed tax-exempt bonds rated AA+ or A-1 by Standard & Poor’s. The Borrower will also close a section 223(f) FHA Insured Loan to provide debt financing for the Project simultaneously with the closing of the Bonds. When the project loan has been fully funded, rehabilitation or construction has been completed and the Project has been placed in service, the tax-exempt Bonds will be redeemed, and the FHA insured mortgage loan will remain outstanding. The proposed financing is in accordance with the Authority's issuance guidelines.

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$15,200,000
LIHTC Equity	\$5,333,286
Mortgage Proceeds	\$730,000
Deferred Costs	\$1,984,715
AGP Equity	<u>\$100</u>
Total Sources	\$23,248,101

Uses:

Acquisition	\$10,015,000
Hard Construction Costs	\$6,264,043
Soft Costs	\$1,962,675
Costs of Issuance	\$244,844
Developer Fee	\$2,392,633
Reserves	\$2,043,200
Financing Costs	<u>\$325,706</u>
	\$23,248,101

**Recommendations:**

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that the Board of Directors 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 remain income and rent restricted
  - 39 units at 50% AMI
  - 148 units at 60% AMI
  - 2 manager's units
- The Project will remain income and rent restricted for at least 55 years
- The Project is a Preservation Project

**RESOLUTION NO. 16-03A**

**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 \$18,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS VILLAGE EAST 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**, New Village East, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, construction, rehabilitation and development of a 189-unit multifamily rental housing development located in the City of Stockton (the “City”), County of San Joaquin, California, and known as Village East Apartments (the “Project”);

**WHEREAS**, the Authority received an allocation in the amount of \$15,200,000 (the “Allocation Amount”), on July 20, 2016, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, the City is a 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 \$18,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Village East Apartments Project) 2016 Series A (the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, as finally approved, 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**, 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) Trust Indenture (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

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

(3) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and Stifel, Nicolaus & Company, as underwriter of the Bonds (collectively, the “Underwriter”);

(4) Official Statement (the “Official Statement”), to be used in connection with the offer and sale of the Bonds; and

(5) 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 (Village East Apartments Project) 2016 Series A” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$18,000,000; 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, Vice-Chair or Treasurer of the Authority, and attested by the manual or facsimile signature of the Secretary of the Authority. 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 the Chair, Vice-Chair and Treasurer of the Authority, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (together with the Directors, including the Chair, Vice-Chair and Treasurer of the Authority, 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 September 1, 2061), 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 Underwriter 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 form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Board hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of the sale of the Bonds, said Official Statement in final form, 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 7. 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 8. 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 Underwriter, 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 Underwriter in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, 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 10. 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 11. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED on September 20, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CALIFORNIA PUBLIC FINANCE AUTHORITY

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Chair

Attest:

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Secretary

SECRETARY'S CERTIFICATE

The undersigned, Secretary of the California Public Finance Authority, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the directors of the California Public Finance Authority at a regular meeting of said Authority duly and regularly and legally held in the City of Hanford, California, on September 20, 2016, of which all of such members had due notice, as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

An agenda of said meeting was posted at least 72 hours before said meeting at 1400 W. Lacey Boulevard, Hanford, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2016.

SECRETARY OF THE CALIFORNIA PUBLIC  
FINANCE AUTHORITY

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Secretary



CALIFORNIA  
PUBLIC  
FINANCE  
AUTHORITY

**DATE:** SEPTEMBER 20, 2016

**APPLICANT:** MOUNTAIN VIEW COMMUNITY PARTNERS, L.P.

**AMOUNT:** UP TO \$21,590,000 IN REVENUE BONDS

**PURPOSE:** FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

**PRIMARY ACTIVITY:** AFFORDABLE HOUSING

**Background:**

Mountain View Community Partners, L.P. (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, rehabilitation and development of Mountain View Apartments, located at 68680 Dinah Shore Drive in Cathedral City, California (the "Project"). Mountain View Apartments is an existing 280 unit project for low-income seniors. The Project application was filed on April 14, 2016, induced on May 10, 2016 and received an allocation of tax exempt bonds on July 20, 2016.

**Description of Proposed Project:**

The Borrower has requested CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$21,590,000 (the "Bonds") to finance the acquisition, rehabilitation and development of the Project. The Project will continue to provide 276 one-bedroom units for low income seniors and 4 one-bedroom units for on-site management within 70 one-story garden style apartment buildings. The property is subject to USDA Rural Development rent and income restrictions, 276 units receive Rental Assistance and will be restricted to senior households with income levels at or below the 50 and 60 percent area median income ("AMI") levels.

The site has two one-story community buildings, which contain the leasing office, two laundry centers, property storage, the community room, and the community kitchen. The site also contains 368 parking spaces, 282 of which are covered by carports. Phase I of the Subject was constructed in 1980 and Phase II was built in 1984. All structures are wood frame construction with a combination of wood trim around windows, and stucco siding, on concrete slab foundations.

The rehabilitation program will address health and safety issues, ADA, deferred maintenance, and energy efficiency when possible. Currently, the Developer is planning on significant exterior upgrades, window replacement, stucco work, building envelope and HVAC work. All bathrooms will be fully turned, kitchen countertops and cabinetry will be addressed as needed, improved fencing, landscaping improvements, asphalt, deferred maintenance items, and replacing and upgrading building systems as necessary.

Construction is scheduled to start in October 2016 and be completed by September 2017.

**TEFRA Information:**

TEFRA hearings were held by the City of Cathedral City on May 25, 2016 and by Kings County on June 7, 2016.

**Financing Structure:**

The Construction Bonds will mature in no more than 12 months and bear interest at a floating rate of 30 day LIBOR + 2.25%. The Bonds will be replaced with a permanent loan following the completion of the rehabilitation. The proposed financing is in accordance with the Authority's issuance guidelines.

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$21,590,000
Developer Equity	\$943,433
Low Income Housing Tax Credit Equity	\$2,829,035
Replacement Reserves	\$1,769,669
Deferred Developer Fee	\$4,760,401
Capitalized Interest	\$646,784
USDA RD Note	<u>\$8,728,649</u>
Total Sources	\$41,267,971

Uses:

Acquisition Cost	\$20,219,669
Hard Constriction Costs	\$12,779,280
Third Party Reports	\$177,500
Financing Placement	\$792,988
Capitalized Interest	\$646,784
Legal & Organizational	\$150,000
Relocation	\$150,000
Accounting	\$30,000
Reserves	\$915,000
Tax Credit Reservation Fees	\$130,021
Developer Fee	\$4,760,401
<u>Other Soft Costs</u>	<u>\$516,328</u>
Total Uses	\$41,267,971

**Recommendations:**

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that the Board of Directors 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 remain income and rent restricted
  - 83 units at 50% AMI
  - 193 units at 60% AMI
  - 4 manager's units
- 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 full scale grocery store
  - The Project is located within ½ mile of a medical clinic or hospital
  - The Project is located within ½ mile of a public library



## RESOLUTION NO. 16-04A

**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 \$21,590,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS MOUNTAIN VIEW 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**, Mountain View Community Partners, 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 acquisition, rehabilitation and development of a 280-unit multifamily rental housing development for seniors to be generally known as Mountain View Apartments, located in the City of Cathedral City, California (collectively, the “Project”);

**WHEREAS**, on July 20, 2016 the Authority received an allocation in the amount of \$21,590,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, approval of the issuance of the Bonds (as defined herein) as provided herein is conditioned upon the receipt of the Allocation Amount for the Project from CDLAC;

**WHEREAS**, the County of Kings is a Charter Member (as defined in the Agreement) of the Authority and the City of Cathedral City is an Additional Member (as defined in the Agreement) and each has authorized the issuance of the Bonds;

**WHEREAS**, the Authority is willing to issue not to exceed \$21,590,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Mountain View Apartments) 2016 Series B (the “Bonds”), provided that the 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 and very low income persons;

**WHEREAS**, the Bonds will be privately placed with ZB, N.A. dba California Bank & Trust (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

**WHEREAS**, there have been prepared and made available to the members of the 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) a Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) a Master Pledge and Assignment (the “Pledge Agreement”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

(3) a form of Regulatory Agreement and Declaration of Restrictive Covenants, to be entered into between the Authority and the Borrower with respect to the Project (the “Regulatory Agreement”).

**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 Pledge Agreement, 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 (Mountain View Apartments) 2016 Series B,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$21,590,000; 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 Pledge 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 Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement 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 Pledge Agreement, 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 Pledge 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. 16-01C of the Authority, adopted on January 26, 2016) (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 Pledge 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 September 1, 2061), 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 Pledge Agreement as finally executed.

Section 4. The Agency 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 Agency 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 sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

Section 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof 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 Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof 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, loan related documents, an assignment of deed of trust, a termination of regulatory agreement, an allonge or assignment of any note and such other documents as described in the Pledge 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 Pledge Agreement 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 September 20, 2016.

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 September 20, 2016.

By \_\_\_\_\_  
Authorized Signatory