



Agenda

Tuesday, October 4, 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 September 20, 2016 regular meeting.

3. **CONSENT CALENDAR**

A. Consideration of approving an inducement resolution 16-07I for:

1. Catalyst Housing Group (Rocklin Gateway Apartments), City of Rocklin, County of Placer; up to \$45,000,000 of revenue bonds.

4. **NEW BUSINESS ACTION ITEMS**

A. Consideration of approving resolution 16-05A for Guest House LP, City of Santa Ana, County of Orange; up to \$17,000,000 of revenue notes. (Staff – Scott Carper)

B. Discussion in regards to Asset Acquisition of the Farmers Market Complex. (Staff – Scott Carper)

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 September 20, 2016 regular meeting.



Action Summary

Tuesday, September 20, 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 30, 2016 regular meeting.
ACTION: APPROVED AS PRESENTED (CP/JN/RV/RF/DV-Aye)

3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 16-06I for:
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.
ACTION: CONSENT CALENDAR APPROVED AS PRESENTED (JN/RF/RV/CP/DV-Aye)

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)
ACTION: APPROVED AS PRESENTED (RF/JN/RV/CP/DV-Aye)
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)
ACTION: APPROVED AS PRESENTED (CP/RF/JN/RV/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 11:08 a.m.



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3. CONSENT CALENDAR

A. Consideration of approving an inducement resolution 16-07I for:

1. Catalyst Housing Group (Rocklin Gateway Apartments), City of Rocklin, County of Placer; up to \$45,000,000 of revenue bonds.

RESOLUTION NO. 16-07I

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 4th day of October, 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 October 4, 2016.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Rocklin Gateway Apartments	City of Rocklin, County of Placer	204	New Construction	Catalyst Housing Group	\$45,000,000



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4. NEW BUSINESS ACTION ITEMS

A. Consideration of approving resolution 16-05A for Guest House LP, City of Santa Ana, County of Orange; up to \$17,000,000 of revenue notes. (Staff – Scott Carper)



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DATE: OCTOBER 4, 2016

APPLICANT: GUEST HOUSE, LP

AMOUNT: UP TO \$17,000,000 IN REVENUE NOTES

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Guest House, LP (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, rehabilitation and development of Guest House Apartments, located at 2151 E. 1st Street in Santa Ana, California (the "Project"). The Project application was filed on January 7, 2016, induced on March 8, 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 \$17,000,000 (the "Bonds") to finance the acquisition, rehabilitation and development of the Project. The Project will provide 58 studio units and 14 one-bedroom units for low income people within 4 two-story buildings. The units will be available to chronically homeless and those at risk of homelessness with income levels at or below the 50 and 60 percent area median income ("AMI") levels.

The site amenities will include a community garden, commercial kitchen, outdoor courtyard, laundry facilities, and on-site resident services. Working with the Borrower's nonprofit services partner, residents will be provided with a supportive environment in which they can stabilize their personal circumstances and thrive.

The rehabilitation will focus mainly on cosmetic upgrades, improving energy efficiency, and bettering common areas. Interior units will be improved with Energy Star appliances, new cabinets, countertops, and vinyl flooring. New efficient HVAC and heating units will be installed in each unit. The project currently consists of 77 units, however, 5 units will be removed to accommodate the commercial kitchen, new management area, and to create the required larger ADA units, bringing the new total to 72 units. Resident services offices will also be incorporated for delivery of resident services.

Construction is expected to begin in November and be completed by September 2017.

TEFRA Information:

TEFRA hearings were held by the City of Santa Ana on January 19, 2016 and by Kings County on March 8, 2016.

Financing Structure:

The Construction Bonds will mature in no more than 24 months and bear interest at a fixed rate of approximately 2.44%. The Bonds will be replaced with a permanent loan following the completion of the rehabilitation for a term of 30 years with an estimated interest rate of 3.89%. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$12,728,271
LIHTC Equity	\$3,399,901
HOME Loan	\$1,199,869
Deferred Costs	\$719,088
<u>AHP</u>	<u>\$710,000</u>
Total Sources	\$18,757,129

Uses:

Acquisition	\$6,824,125
Hard Construction Costs	\$5,976,686
Soft Costs	\$1,927,131
Construction Contingency	\$597,669
Developer Fee	\$2,194,498
Reserves	\$614,844
<u>Financing Costs</u>	<u>\$622,176</u>
Total Uses	\$18,757,129

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
 - 29 units at 50% AMI
 - 42 units at 60% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for at least 55 years
- The Project will serve a special needs population
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a public park
 - The Project is located within ½ mile of a medical clinic or hospital
 - The Project will provide instructor-led educational, health and wellness, or skill building classes to residents
 - The Project will provide a service coordinator/social worker for residents

RESOLUTION NO. 16-05A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS GUEST HOUSE 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 NOTES.

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, Guest House 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 Construction/Permanent Note (Guest House Apartments) 2016 Series D-1 and its California Public Finance Authority Multifamily Housing Revenue Construction Note (Guest House Apartments) 2016 Series D-2 (collectively, the “Notes”) to assist in the financing of the acquisition, rehabilitation and development of a 72-unit multifamily housing rental development located in the City of Santa Ana, California, and to be known as Guest House Apartments (the “Project”);

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

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$17,000,000, provided that the portion of such Notes 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 Notes will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Notes;

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 Notes, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

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

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

(4) Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower;

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 Notes in one or more series. The Notes shall be designated as “California Public Finance Authority Multifamily Housing Revenue Construction/Permanent Note (Guest House Apartments) 2016 Series D-1” and “California Public Finance Authority Multifamily Housing Revenue Construction Note (Guest House Apartments) 2016 Series D-2” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$17,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes 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 Notes 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 Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes 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. 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 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 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 prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 7. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 8. 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 Notes 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 endorsement, allonge or assignment of any note 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 Notes 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 execution and delivery of the Notes, 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 Notes or any prepayment of the Notes, 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 10. This Resolution shall take effect upon its adoption.

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PASSED AND ADOPTED by the California Public Finance Authority this October 4, 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 October 4, 2016.

By _____
Authorized Signatory