



Agenda

Tuesday, October 18, 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 October 4, 2016 regular meeting.

3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 16-07I for:
 1. Willowbrook Affordable Communities, L.P. (Willowbrook Apartments), City of Bay Point, County of Contra Costa; up to \$25,000,000 of revenue bonds.

4. **NEW BUSINESS ACTION ITEMS**
A. Consideration of approving resolution 16-06A for Pacific Rim Preservation L.P., City of Inglewood, County of Los Angeles; up to \$9,250,000 of revenue bonds. (Staff – Scott Carper)
B. Consideration of approving resolution 16-07A for Solano Carolina Partners, LP, City of Vallejo, County of Solano; up to \$16,000,000 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 October 4, 2016 regular meeting.



Action Summary

Tuesday, October 4, 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 September 20, 2016 regular meeting.
ACTION: APPROVED AS PRESENTED (RF/JN/CP/DV-Aye, RV-Absent)

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.
 ACTION: APPROVED AS (RF/JN/CP/DV-Aye, RV-Absent)

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)
ACTION: APPROVED AS PRESENTED (RF/CP/JN/RV/DV-Aye)
B. Discussion in regards to Asset Acquisition of the Farmers Market Complex. (Staff – Scott Carper)
ACTION: DIRECTED CALPFA STAFF TO DISCUSS THE BOARD OF SUPERVISORS CONCERNS WITH THE CITY OF SACRAMENTO.

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 12:07 p.m..



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

3. CONSENT CALENDAR

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

1. Willowbrook Affordable Communities, L.P. (Willowbrook Apartments), City of Bay Point, County of Contra Costa; up to \$25,000,000 of revenue bonds.

RESOLUTION NO. 16-08I

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 18th 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 18, 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
Willowbrook Apartments	City of Bay Point, County of Contra Costa	72	Acquisition and Rehabilitation	Willowbrook Affordable Communities, L.P.	\$25,000,000



4. **NEW BUSINESS ACTION ITEMS**

A. Consideration of approving resolution 16-06A for Pacific Rim Preservation L.P., City of Inglewood, County of Los Angeles; up to \$9,250,000 of revenue bonds. (Staff – Scott Carper)

B. Consideration of approving resolution 16-07A for Solano Carolina Partners, LP, City of Vallejo, County of Solano; up to \$16,000,000 of revenue bonds. (Staff – Caitlin Lanctot)



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

DATE: OCTOBER 18, 2016

APPLICANT: PACIFIC RIM PRESERVATION, L.P.

AMOUNT: UP TO \$9,250,000 IN REVENUE BONDS

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Pacific Rim Preservation, L.P. (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, construction, rehabilitation and development of Pacific Rim Apartments, located at 230 S. Grevillea Avenue in Inglewood, California (the "Project"). The Project application was filed on September 29, 2015, induced on October 6, 2015 and received an allocation of tax exempt bonds on December 16, 2015.

Description of Proposed Project:

The Borrower has requested CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$9,250,000 (the "Bonds") to finance the acquisition, construction, rehabilitation and development of the Project. The Project was constructed in 1992 on .75 acres and offers 39 affordable one-bedroom units. The units will be available to low income families with income levels at or below the 50 and 60 percent area median income ("AMI") levels.

Site amenities include security gates and fencing, onsite parking, a community room, a picnic/bbq area, site management, laundry facility, and landscaping. Unit amenities include a range, window blinds, refrigerator, garbage disposal, air conditioning and heating. The rehabilitation will be done with the tenants in place and will include upgrade for air conditioning and heating units, mechanical and electrical. Interior upgrades will include new kitchen and bathroom equipment, new cabinets, new kitchen surfaces, new flooring, paint and new window treatments. Exterior upgrades will include replacement of certain patio covers, widening of common area pathways, common area lighting, improvements to community areas, elevator cab improvements, parking area improvements and paint.

The rehabilitation is expected to being in December and be completed by June 2017.

TEFRA Information:

TEFRA hearings were held by the City of Inglewood on October 27, 2015 and by Kings County on November 3, 2015.

Financing Structure:

The Construction Bonds will mature in no more than 24 months and bear interest at a floating rate not to exceed 5%. The nonrated Bonds will be replaced with a permanent loan following the completion of the rehabilitation for a term of 35 years. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$4,500,000
LIHTC Equity	\$115,249
Seller Note	\$433,133
Direct and Indirect Public Funds	<u>\$1,903,414</u>
Total Sources	\$6,951,796

Uses:

Acquisition Cost	\$3,968,106
Hard Construction Costs	\$820,000
Architect & Engineering Fees	\$100,000
Reserves	\$204,231
Developer Fee	\$801,326
Contingency	\$205,669
Cost of Issuance	\$175,169
Capitalized Interest	\$154,545
Other Soft Costs (Marketing, Etc.)	<u>\$522,750</u>
Total Uses	\$6,951,796

Recommendations:

Based on the overall Project public benefit 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
 - 16 units at 50% AMI
 - 23 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 ½ mile of a hospital or health clinic
 - The Project is located within ½ mile of library

RESOLUTION NO. 16H- ____

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 \$9,250,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS PACIFIC RIM 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, Pacific Rim Preservation, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 40-unit multifamily rental housing development generally known as Pacific Rim Apartments located in the City of Inglewood, California (the “Project”);

WHEREAS, on December 16, 2015, the Authority received an allocation in the amount of \$4,500,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) 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 Inglewood 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 \$9,250,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Pacific Rim Apartments) 2016 Series E-1 and its Multifamily Housing Revenue Taxable Bonds (Pacific Rim Apartments) 2016 Series E-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 and very 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) 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 FMSbonds, Inc., as underwriter of the Bonds (the “Underwriter”);

(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 (Pacific Rim Apartments) 2016 Series E-1” and “California Public Finance Authority Multifamily Housing Revenue Taxable Bonds (Pacific Rim Apartments) 2016 Series E-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$9,250,000; 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. 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 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 October 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 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 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 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 18th 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 the Authority at a duly called meeting of the Board of the Authority held in accordance with law on October 18, 2016.

By: _____
Authorized Signatory



DATE: OCTOBER 18, 2016

APPLICANT: SOLANO CAROLINA PARTNERS, LP

AMOUNT: UP TO \$16,000,000 IN REVENUE BONDS

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Solano Carolina Partners, LP (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, construction, rehabilitation and development of Carolina Heights Apartments, located at 135 Carolina Street in Vallejo, California (the "Project"). The Project application was filed on May 6, 2016, induced on May 10, 2016 and is expected to receive an allocation of tax exempt bonds on October 19, 2016.

Description of Proposed Project:

The Borrower has requested CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$16,000,000 (the "Bonds") to finance the acquisition, construction, rehabilitation and development of the Project. The Project is located on 5.63 acres, in a multifamily residential and business neighborhood in Vallejo and will continue to provide 72 one-bedroom units and 79 two-bedroom units for low income people within nine residential buildings. The units will be available to low income families with income levels at or below the 50 and 60 percent area median income ("AMI") levels.

The Project was constructed in the 1970s and a \$6 million rehabilitation is planned for the site. Rehabilitation will include new roofs, new energy efficient windows and sliding patio doors, exterior painting, replacement of all balconies per Vallejo Police Department recommendation, improvement in energy efficiency, improved ADA and handicapped accessibility, and unit interior upgrades. Additionally, various services will be provided to residents.

The rehabilitation is expected to begin in December and be completed by October 2017.

TEFRA Information:

TEFRA hearings were held by the City of Vallejo on August 23, 2016 and by Kings County on June 7, 2016.

Financing Structure:

The Bonds will be sold via a public offering with an S&P rating of AA+ due to it being 100% collateralized with cash. The bonds will be guaranteed by the Borrower and will be issued simultaneously with the land transfer and FHA forward funded loan closing and will not require interim financing. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$14,500,000
LIHTC Equity	\$3,288,452
FHA Loan	\$1,098,400
Seller Carryback Perm	\$4,250,000
Seller Carryback Bridge	\$4,200,000
Existing Reserves from Seller	\$17,260
Deferred Fees & Costs	\$875,110
Short Term Work from Seller	<u>\$60,740</u>
Total Sources	\$28,289,962

Uses:

Acquisition	\$13,325,000
Hard Construction Costs	\$5,934,176
Construction Fees	\$2,549,293
Reserves	\$821,437
Survey & Engineering	\$210,000
Project Costs	\$788,109
Relocation	\$1,200,000
Developer Fee	\$3,022,573
Financing Costs	<u>\$439,374</u>
Total Uses	\$28,289,962

Recommendations:

Based on the overall Project public benefit 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
 - 31 units at 50% AMI
 - 120 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 public park
 - The Project is located within 1 mile of a public school
 - The Project is located within ½ mile of library
 - The Project will provide various onsite social and educational services for Residents

RESOLUTION NO. 2016-__

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 \$16,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CAROLINA HEIGHTS; 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, Solano Carolina 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, construction, rehabilitation and development of a 152-unit multifamily rental housing development located in the City of Vallejo (the “City”), County of Solano, California, and known as Carolina Heights (the “Project”);

WHEREAS, on October 19, 2016, the Authority is expected to receive an allocation in the amount of \$14,500,000 (such amount as finally approved, the “Allocation Amount”) 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 \$16,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Carolina Heights Project) 2016 Series C (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 RBC Capital Markets, LLC, 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 (Carolina Heights Project) 2016 Series C” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$16,000,000; provided that the Note may not be issued unless and until CDLAC grants the Project the Allocation Amount, and provided further 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 October 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 by the California Public Finance Authority this October 18, 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 18, 2016.

By _____
Authorized Signatory