



# *Agenda*

Tuesday, August 8, 2017

**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 July 25, 2017 regular meeting.
  
3.        **NEW BUSINESS**  
          A. Consideration of approving resolution 17-09A for Southeast Senior Housing Preservation, LP, City of Compton, County of Los Angeles; up to \$8,300,000 of revenue bonds. (Staff – Scott Carper)
  
4.        **PUBLIC COMMENT**  
          *Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.*
  
5.        **STAFF UPDATES**
  
6.        **ADJOURNMENT**  
          *Adjourn as the California Public Finance Authority.*



2. **APPROVAL OF MINUTES**

Approval of the minutes from the July 25, 2017 regular meeting.



---

## *Action Summary*

Tuesday, July 25, 2017

**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**  
**ALL MEMBERS PRESENT**
  
2. **APPROVAL OF MINUTES**  
Approval of the minutes from the July 11, 2017 regular meeting.  
**ACTION: APPROVED AS PRESENTED (JN/DV/RV/RF/CP-Aye)**
  
3. **NEW BUSINESS**  
**A.** Consideration of approving resolution 17-08A for BLI Affordable, L.P., City of San Bernardino, County of San Bernardino; up to \$12,000,000 of revenue bonds. (Staff – Caitlin Lanctot)  
**ACTION: APPROVED AS PRESENTED (DV/RF/JN/RV/CP-Aye)**  
**B.** Consideration of approving resolution 17-09A for Verity Health System of California, Inc., Cities of Redwood City, San Jose, Daly City & Moss Beach, County of San Mateo, Cities of Los Angeles, Lynwood, Huntington Park & Maywood, County of Los Angeles, City of Gilroy, County of Santa Clara; up to \$25,000,000 of revenue bonds. (Staff – Scott Carper)  
**ACTION: APPROVED AS PRESENTED (DV/RF/JN/RV/CP-Aye)**  
**C.** Consideration of approving resolution 17-10A for 34115 Winchester Rd, LLC, City of Winchester, County of Riverside; up to \$20,000,000 of revenue bonds. (Staff – Scott Carper)  
**ACTION: APPROVED AS PRESENTED (DV/RV/JN/RF/CP-Aye)**
  
4. **PUBLIC COMMENT**  
*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. None*
  
5. **STAFF UPDATES**  
**Scott Carper gave an update on closing projects.**
  
6. **ADJOURNMENT**  
*The meeting was adjourned at 11:24 a.m.*



### **3. NEW BUSINESS**

**A.** Consideration of approving resolution 17-09A for Southeast Senior Housing Preservation, LP, City of Compton, County of Los Angeles; up to \$8,300,000 of revenue bonds. (Staff – Scott Carper)



CALIFORNIA  
PUBLIC  
FINANCE  
AUTHORITY

**DATE:** AUGUST 8, 2017

**APPLICANT:** SOUTHEAST SENIOR HOUSING PRESERVATION, LP

**AMOUNT:** UP TO \$8,300,000 IN REVENUE BONDS

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

**PRIMARY ACTIVITY:** AFFORDABLE HOUSING

**Background:**

Southeast Senior Housing Preservation, LP (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, rehabilitation and development of the E. Boyd Esters Manor Apartments, located at 1101 North Central Avenue in Compton, 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 May 17, 2017.

**Description of Proposed Project:**

The Borrower has requested CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$8,300,000 (the "Bonds") to finance the acquisition, rehabilitation and development of the Project. E. Boyd Esters Manor is located on 1.5 acres approximately 10 miles south of Downtown Los Angeles in the city of Compton. The property site contains approximately 64,000 square feet and is currently zoned R-H, High-Density Residential District. The area is mostly urban. The Manor was built in 1984 and consists of 50 units of Senior Housing on five floors. The shape of the site is rectangular and the topography is flat. The site amenities include security gates and fencing; onsite parking; a community room; picnic/barbeque area; site management; laundry facility; landscaping. The Project has a mix of 12 studios and 38 one bedroom units. Each unit contains a range/oven, refrigerator, garbage disposal, carpet, tile, and hardwood, blinds, a closet, air conditioning and heating. The units will be available to low income seniors with income levels at or below the 50 and 60 percent area median income ("AMI") levels.

Rehabilitation is expected to begin in August 2017 and be completed by April of 2018. 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 Project has a very nice, park-like campus atmosphere. It is entirely gated and secure and offers an environment that encourages interaction amongst the residents.

**TEFRA Information:**

TEFRA hearings were held by the City of Compton on April 11, 2017 and Kings County on March 7, 2017.

**Financing Structure:**

The construction Bonds will be privately placed and mature in no more than 24 months. The Bonds will then convert to the permanent phase for 35 years. Interest is expected not to exceed 5%. The proposed financing is in accordance with the Authority's issuance guidelines.

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$7,184,171
LIHTC Equity	\$1,071,423
Seller Note	\$3,519,140
Direct and Indirect Public Funds	<u>\$2,430,222</u>
Total Sources	\$14,204,956

Uses:

Acquisition Cost	\$8,450,000
Hard Construction Costs	\$1,275,000
Relocation	\$75,000
Architect & Engineering Fees	\$180,000
Construction Interest & Fees	\$910,774
Permanent Financing Costs	\$141,653
Reserves	\$810,218
Developer Fee	\$1,537,249
Legal Fees	\$280,000
Appraisal	\$133,600
Other Soft Costs (Marketing, Etc.)	<u>\$411,462</u>
Total Uses	\$14,204,956

**Recommendations:**

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

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

## Attachment 1

### Public Benefits:

- 100% of the Project's units will remain income and rent restricted
  - 20 units at 50% AMI
  - 29 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 park
  - The Project is located within ½ mile of a grocery store
  - The Project is located within a mile of a hospital

## RESOLUTION NO. 17-09A

**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 \$8,300,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS E. BOYD ESTERS MANOR 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**, Southeast Senior Housing Preservation, 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 50-unit multifamily rental housing development for seniors located in the City of Compton (the “City”), County of Los Angeles, California, and generally known as E. Boyd Esters Manor Apartments (the “Project”);

**WHEREAS**, the Authority received an allocation in the amount of \$7,184,171 (the “Allocation Amount”), on May 17, 2017, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

**WHEREAS**, the Authority is willing to issue not to exceed \$8,300,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (E. Boyd Esters Manor Apartments) 2017 Series E-1 and its Multifamily Housing Revenue Bonds (E. Boyd Esters Manor Apartments) 2017 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 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 a purchaser of the Bonds to be determined (the “Purchaser”); and
- (4) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee.

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Public Finance Authority Multifamily Housing Revenue Bonds (E. Boyd Esters Manor Apartments) 2017 Series E-1” and “California Public Finance Authority Multifamily Housing Revenue Bonds (E. Boyd Esters Manor Apartments) 2017 Series E-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$8,300,000; 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 August 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

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

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or

intercreditor agreement, any endorsement, allonge and/or assignment of any note or the deed of trust and such other documents as described in the Indenture, the Purchase Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

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

**PASSED AND ADOPTED** by the California Public Finance Authority this 8th day of August 2017.

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 August 8, 2017.

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