



# Agenda

Tuesday, November 7, 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 October 31, 2017 regular meeting.
3. **CONSENT CALENDAR**  
A. Consideration of approving an inducement resolution 17-07I:
  1. Reliant – PGBW, LP (The Plaza Senior Apartments) City of San Bernardino, County of San Bernardino, up to \$30,000,000 of revenue bonds.
  2. Reliant – PGBW, LP (The Greenery Apartments) City of Woodland, County of Yolo; up to \$20,000,000 of revenue bonds.
  3. Reliant – PGBW, LP (Bigby Villas Apartments) City of Fresno, County of Fresno; up to \$32,000,000 of revenue bonds.
  4. Reliant – PGBW, LP (Westgate Gardens Apartments) City of Fresno, County of Fresno; up to \$18,000,000 of revenue bonds.
4. **NEW BUSINESS**  
A. Consideration of approving resolution 17-15A for Southeast Senior Housing Preservation, LP (E. Boyd Esters Manor Apartments), City of Compton, County of Los Angeles; up to \$12,500,000 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.*



CALIFORNIA  
PUBLIC  
FINANCE  
AUTHORITY

2. **APPROVAL OF MINUTES**

Approval of the minutes from the October 31, 2017 regular meeting.



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# Action Summary

Tuesday, October 31, 2017

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

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

B1

1. **CALL TO ORDER**  
ROLL CALL – Clerk to the Board  
**MEMBERS PRESENT: RICHARD VALLE, DOUG VERBOON, CRAIG PEDERSEN, RICHARD FAGUNDES**  
**MEMBERS ABSENT: JOE NEVES**
  
2. **APPROVAL OF MINUTES**  
Approval of the minutes from the October 10, 2017 regular meeting.  
**ACTION: APPROVED AS PRESENTED (DV/RV/RF/CP-Aye, JN-Absent)**
  
3. **CONSENT CALENDAR**  
A. Consideration of approving resolution 17-05M for the addition of program participants to the Authority.  
**ACTION: APPROVED AS PRESENTED (DV/RF/RV/CP-Aye, JN-Absent)**
  
4. **NEW BUSINESS**  
A. Consideration of approving resolution 17-14A for Epiphany Holdings LLC, Cities of San Diego & Escondido, County of San Diego; up to \$20,000,000 of revenue bonds. (Staff – Caitlin Lanctot)  
**ACTION: APPROVED AS PRESENTED (DV/RF/RV/CP-Aye, JN-Absent)**
  
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 11:07 a.m.*



### **3. CONSENT CALENDAR**

#### **A. Consideration of approving an inducement resolution 17-07I:**

- 1. Reliant – PGBW, LP (The Plaza Senior Apartments) City of San Bernardino, County of San Bernardino, up to \$30,000,000 of revenue bonds.**
- 2. Reliant – PGBW, LP (The Greenery Apartments) City of Woodland, County of Yolo; up to \$20,000,000 of revenue bonds.**
- 3. Reliant – PGBW, LP (Bigby Villas Apartments) City of Fresno, County of Fresno; up to \$32,000,000 of revenue bonds.**
- 4. Reliant – PGBW, LP (Westgate Gardens Apartments) City of Fresno, County of Fresno; up to \$18,000,000 of revenue bonds.**

## RESOLUTION NO. 17-071

### 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 7<sup>th</sup> day of November, 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 Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on November 7, 2017.

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>
The Plaza Senior Apartments	City of San Bernardino, County of San Bernardino	161	Acquisition and Rehabilitation	Reliant - PGBW, LP	\$30,000,000
The Greenery Apartments	City of Woodland, County of Sacramento	95	Acquisition and Rehabilitation	Reliant - PGBW, LP	\$20,000,000
Bigby Villas Apartments	City of Fresno, County of Fresno	180	Acquisition and Rehabilitation	Reliant - PGBW, LP	\$32,000,000
Westgate Gardens Apartments	City of Fresno, County of Fresno	100	Acquisition and Rehabilitation	Reliant - PGBW, LP	\$18,000,000





#### **4. NEW BUSINESS**

**A.** Consideration of approving resolution 17-15A for Southeast Senior Housing Preservation, LP (E. Boyd Esters Manor Apartments), City of Compton, County of Los Angeles; up to \$12,500,000 of revenue bonds. (Staff – Caitlin Lanctot)



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**DATE:** NOVEMBER 7, 2017

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

**AMOUNT:** UP TO \$12,500,000 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, received an allocation of tax exempt bonds on May 17, 2017, and a supplemental allocation is expected on November 15<sup>th</sup>.

**Description of Proposed Project:**

The Borrower previously requested CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$8,300,000 on August 8, 2017. Due to an increase in the Section 8 rents, the permanent loan needs to be increased in order to meet debt ratios, requiring a higher bond amount. The Borrower is coming back to the Authority to request up to \$12,500,000 in multifamily housing revenue bonds (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 Project was built in 1984 and consists of 50 units within approximately 64,000 square feet on five floors. 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 January 2018 and be completed by September 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.

**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 permanent financing for 18 years. Interest will be fixed and is expected to be approximately 4.1%. The proposed financing is in accordance with the Authority's issuance guidelines.

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$11,000,000
LIHTC Equity	\$921,863
Direct & Indirect Public Funds	\$2,889,207
Deferred Developer Fee	<u>\$417,808</u>
Total Sources	\$15,228,878

Uses:

Acquisition Cost	\$8,450,000
Hard Construction Costs	\$1,500,000
Relocation	\$150,000
Architect & Engineering Fees	\$280,000
Construction Interest & Fees	\$1,082,750
Permanent Financing Costs	\$192,196
Reserves	\$884,275
Developer Fee	\$1,611,042
Legal Fees	\$280,000
Contingency & Appraisal	\$229,850
Other Soft Costs (Marketing, Etc.)	<u>\$568,765</u>
Total Uses	\$15,228,878

**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- 15A

### **A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY PROVIDING SUPPLEMENTAL AUTHORIZATION FOR THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS E. BOYD ESTERS MANOR APARTMENTS AND APPROVING ACTIONS IN CONNECTION THEREWITH**

**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 previously 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 “Initial Allocation Amount”), on May 17, 2017, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, pursuant to Resolution No. 17-09A adopted by members of the Board of Directors of the Authority (the “Board”) on August 8, 2017 (the “Prior Resolution”), the Authority previously authorized the issuance 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”) in an aggregate principal amount not to exceed \$8,300,000 (the “Initial Authorization”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations not exceed the Initial Allocation Amount;

**WHEREAS**, the Borrower has requested that the Authority issue and deliver bonds in excess of the Initial Authorization for the purpose of making a loan to the Borrower to provide additional financing for the Project;

**WHEREAS**, on November 15, 2017, the Authority expects to have received an additional allocation of the state ceiling on private activity bonds in the amount of \$3,815,829

(the “Additional Allocation Amount” and, together with the Initial Allocation Amount, the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) for the purpose of providing additional financing for the Project;

**WHEREAS**, upon receipt of the Additional Allocation Amount, the Authority is willing to issue, sell and deliver not to exceed \$12,500,000 aggregate principal amount of Bonds, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount (\$11,000,000), 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**, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the JPA Law and the Housing Law; and

**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 in accordance with the Housing Law, the Authority is hereby authorized to issue its Bonds 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 \$12,500,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount.

Section 3. All approvals and authorizations set forth within the Prior Resolution are hereby ratified and confirmed and such approvals and authorizations shall be complied with as if set forth herein.

Section 4. 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 (as such term is defined in the Prior Resolution), 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 documents approved in the Prior Resolution, 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 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 5. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by the California Public Finance Authority this 7th day of November 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 November 7, 2017.

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