



Agenda

Tuesday, August 14, 2018

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 10, 2018 regular meeting.
3. **CONSENT CALENDAR**
 - A. Consideration of approving resolution 18-04M for the addition of program participant to the Authority.
 - B. Consideration of Invoice request 18-05IR for US Bank fees.
4. **NEW BUSINESS**
 - A. Consideration of approving resolution 18-07A for C4, L.P., City of Coronado, County of San Diego; up to \$8,500,000 of revenue bonds. (Staff – Caitlin Lanctot)
 - B. Consideration and discussion in regards to Asset Acquisition of the Annadel Apartments Project. (Staff – Mike LaPierre)
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
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2. **APPROVAL OF MINUTES**

Approval of the minutes from the July 10, 2018 regular meeting.



Action Summary

Tuesday, July 10, 2018

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

Time: 11:00 a.m.

1. B1 **CALL TO ORDER**
ROLL CALL – Clerk to the Board
PRESENT: JOE NEVES, RICHARD VALLE, DOUG VERBOON, CRAIG PEDERSEN
ABSENT: RICHARD FAGUNDES

2. **APPROVAL OF MINUTES**
Approval of the minutes from the June 5, 2018 regular meeting.
ACTION: APPROVED AS PRESENTED (DV, JN, CP, RV-Aye, RF-Absent)

3. **CONSENT CALENDAR**
 - A. Approve engagement letter with WIPFLi for upcoming CalPFA audit year ending June 30, 2018.
 - B. Consideration of Invoice Request 18-03IR for WIPFLi for financial statement audit June 30, 2017.
 - C. Consideration of Invoice request 18-04IR for US Bank for bank fees to the CalPFA.
ACTION: CONSENT CALENDAR APPROVED AS PRESENTED (JN, DV, CP, RV-Aye, RF-Absent)

4. **NEW BUSINESS**
 - A. Consideration of approving resolution 18-05A for St. Anton ECR, LP (St. Anton ECR Apartments), City of Sunnyvale, County of Santa Clara; up to \$60,000,000 of revenue notes. (Staff – Mike LaPierre)
ACTION: APPROVED AS PRESENTED (DV, JN, CP, RV-Aye, RF-Absent)
 - B. Consideration of approving resolution 18-06A for Hope on Alvarado, LP (Hope on Alvarado Apartments), City of Los Angeles, County of Los Angeles; up to \$25,000,000 of revenue bonds. (Staff – Mike LaPierre)
ACTION: APPROVED AS PRESENTED (CP, DV, JN, RV-Aye, RF-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 11:08 a.m.



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3. CONSENT CALENDAR

A. Consideration of approving resolution 18-04M for the addition of program participant to the Authority.

B. Consideration of Invoice request 18-05IR for US Bank fees.

RESOLUTION NO. 18-04M

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Public Finance Authority this 14th day of August, 2018.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on August 14, 2018.

By: _____
Authorized Signatory
California Public Finance Authority

EXHIBIT A

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

1. City of Roseville



MK-WI-S300
 1555 N. RiverCenter Dr. Ste 300
 Milwaukee, WI 53212

Billing Period:	04/01/2018-06/30/2018
Invoice Number:	11132175
Account Number:	6745041900
Invoice Date:	07/25/2018
Direct Inquiries To:	FRANCISCO RODRIGUEZ
Phone:	213-443-1455

CALIFORNIA PUBLIC FINANCE AUTHORITY
 ATTN: HUILING REN
 2999 OAK ROAD, SUITE 710
 WALNUT CREEK, CA 94597

CALPFA ANNUAL FEES

The following is a statement of transactions pertaining to your account. For further information, please review the attached.

STATEMENT SUMMARY

Unpaid Balance from Prior Fee Statements	\$1,250.00
Current Invoice (for detail see attached)	\$1,250.00
Balance Due	\$2,500.00

All invoices are due upon receipt.

Please detach at perforation and return bottom portion of the statement with your check, payable to U.S. Bank.

**CALIFORNIA PUBLIC FINANCE AUTHORITY
 ANNUAL FEES**

Invoice Number:	11132175
Account Number:	6745041900
Current Due:	\$1,250.00
Past Due:	\$1,250.00
Total Due:	\$2,500.00
Direct Inquiries To:	FRANCISCO RODRIGUEZ
Phone:	213-443-1455

Wire Instructions:
 U.S. Bank
 ABA # 091000022
 Acct # 1-801-5013-5135
 Trust Acct # 6745041900
 Invoice # 11132175
 Attn: Fee Dept St. Paul

Please mail payments to:
 U.S. Bank
 CM-9703
 PO BOX 70870
 St. Paul, MN 55170-9703



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4. NEW BUSINESS

A. Consideration of approving resolution 18-07A for C4, L.P., City of Coronado, County of San Diego; up to \$8,500,000 of revenue bonds. (Staff – Caitlin Lanctot)



**CALIFORNIA
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AUTHORITY**

DATE: AUGUST 14, 2018

APPLICANT: C4, L.P.

AMOUNT: UP TO \$8,500,000 IN REVENUE BONDS

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

C4, L.P. (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, rehabilitation and development of Coronado Scattered Sites Apartments (the "Project"). The Project includes the acquisition of four sites in close proximity to one another: 406-430 Orange Avenue (17 Units), 445-451 Orange Avenue (3 Units), 560-566 G Avenue (4 Units) & 840 G Avenue (11 Units) and the rehabilitation of the 35 multifamily rental housing units. The Project application was filed on May 11, 2016, induced on May 12, 2016, and received an allocation of tax exempt bonds on May 16, 2018.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$8,500,000 (the "Bonds") to finance the acquisition, rehabilitation and development of the Project. The Project will provide the City of Coronado with 35 affordable multifamily units. The residents of C4 will include a mix of single persons, seniors, and small and mid-size families.

All lots are rectangular and level and the living units have a combined unit square footage of 26,961 square feet, with 3 one bedroom/one bath units and 32 two bedroom/one bath units. The four sites' parcels altogether equal 45,302 square feet or 1.04 acres.

The development concept for this project requires a combination of moderate to substantial rehabilitation to provide for building life spans of at least 55 more years. As such, the concept and approach envisions this long-term viability: the scope of the rehabilitation will focus on quality of workmanship, community aesthetics, future maintenance and property management oversight for ultimate operational success. Key rehabilitation considerations include facades, energy efficiency options, sustainable features and materials, long-term maintenance, parking, storage, accessibility and living comfort. The detailed rehabilitation scope is uniquely prescribed for each of the separate properties comprising this project.

TEFRA Information:

TEFRA hearings were held and approved by the City of Coronado on April 3, 2018 and by Kings County on March 13, 2018.

Financing Structure:

The construction Bonds will be privately placed and mature in no more than 18 months. The financing will then convert to permanent financing for 15 years. Interest will be floating and is expected to be approximately 5.2%. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$6,200,000
LIHTC Equity	\$352,063
Developer Equity	<u>\$3,133,306</u>
Total Sources	\$9,685,369

Uses:

Acquisition	\$3,200,000
Hard Construction Costs	\$3,356,750
Equipment Cost	\$52,500
Cost of Issuance	\$118,104
Reserves	\$380,000
Capitalized Interest	\$86,736
Construction Contingency	\$310,000
Soft Costs	\$1,041,279
Developer Overhead	<u>\$1,140,000</u>
Total Uses	\$9,685,369

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 Notes;
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 be income and rent restricted for low income tenants
 - 18 units at 50% AMI
 - 16 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 public library
 - The Project is located within a mile of a public school
 - The Project will employ a service coordinator/social worker to (a) provide tenants with information about available services in the community, (b) assist tenants with accessing services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants

RESOLUTION NO. 18-07A

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 \$8,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS C4 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, C4, 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 35-unit multifamily rental housing development located on four sites in the City of Coronado, California, generally known as C4 Apartments (collectively, the “Project”);

WHEREAS, on May 16, 2018 the Authority received an allocation in the amount of \$6,574,162 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the County of Kings is a Charter Member (as defined in the Agreement) of the Authority and the City of Coronado 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 \$8,500,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (C4 Apartments) 2018 Series G (the “Bonds”), provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in

providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

WHEREAS, the Bonds will be privately placed with Wells Fargo Bank, National Association (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, there have been prepared and made available to the members of the Board of Directors of the Authority (the “Board”) the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) a Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

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

(3) a Regulatory Agreement and Declaration of Restrictive Covenants relating to each site (collectively, the “Regulatory Agreement”) each to be entered into between the Authority 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 Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Public Finance Authority Multifamily Housing Revenue Bonds (C4 Apartments) 2018 Series G,” 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 \$8,500,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Treasurer and Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Member of the Authority or any Director of the Board of the Authority (each, a “Director”).

Section 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Director, including any such Director acting as an officer of the Board, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 16-01C of the Authority, adopted on January 26, 2016) (together with the Directors including any such Director acting as an officer of the Board, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond September 1, 2063), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

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

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things

and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Pledge Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

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

PASSED AND ADOPTED by the California Public Finance Authority this August 14, 2018.

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 14, 2018.

By _____
Authorized Signatory

ATTACHMENT A

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Public Financing Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its board of directors (the “Board”) at which Meeting the Board will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: C4, L.P.
2. Authority Meeting Date: August 14, 2018.
3. Name of Obligations: 2018 Series G.
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor or Borrower (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 5.20%.
 - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$183,000.
 - [(C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$6,442,162.
 - [(D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$2,992,387. (construction period interest, permanent term debt service, fees)
5. The good faith estimates [provided above / attached as Schedule A] were presented to the governing board of the Borrower, or presented to the official or officials or

committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, X presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 8-14-2018



4. NEW BUSINESS

B. Consideration and discussion in regards to Asset Acquisition of the Annadel Apartments Project. (Staff – Mike LaPierre)



SUMMARY AND CONSIDERATIONS

PURPOSE:	CONSIDERATION OF CALPFA'S FINANCING AND ACQUISITION OF A MULTIFAMILY HOUSING FACILITY IN THE CITY OF SANTA ROSA
PRIMARY ACTIVITY:	AFFORDABLE HOUSING
LEGAL STRUCTURE:	ASSET OWNERSHIP
REVIEW DATE:	AUGUST 14, 2018

Background:

CalPFA staff has been in discussions with Catalyst Housing Group (“Catalyst”) about the use of CalPFA’s asset ownership program for the acquisition of market-rate rental communities, and conversion of such assets to fully-restricted affordable middle-income facilities for households earning 80-120% of Area Median Income (“AMI”). Catalyst has identified and secured acquisition rights to Annadel Apartments (the “Project”) in the City of Santa Rosa, with total Project costs estimated to be \$180 million, and closing is anticipated for Q1 2019.

Discussion:

The Project is currently a market-rate rental community consisting of 390 multifamily units, all of which will become income and rent restricted under CalPFA’s ownership. The Project’s unit mix consists of 178 one-bedrooms, 176 two-bedrooms and 36 three-bedrooms. Square footage of the individual floor plans ranges from 683-1,193 and averages 910 square feet across the Project.

Interior apartment amenities include cutting edge smart home technology systems, stainless steel appliances, designer cabinets, quartz countertops, plank flooring and in-unit laundry. Select units feature attached garages and private patios or balconies. The Project’s community amenities include multiple pools/spas, a fully-equipped fitness center with Peloton bikes, bocce ball courts, community gardens, and a clubhouse featuring billiards, big screen televisions, and coffee/wine bars.

The Project includes an onsite 2.5-acre public park and is a short walk from the Coddington Mall (Whole Foods, Target, etc.). The site is additionally located with one mile of numerous schools and Highway 101.

As a condition for CalPFA’s ownership, the Project would include the following public benefits:

- Creation of desperately needed middle-income affordable housing
- Granting of all excess cash flows to host jurisdiction
- Below-market purchase option for host jurisdiction to acquire asset



CALIFORNIA PUBLIC FINANCE AUTHORITY

- 100% income and rent restriction for middle-income households, specifically as follows:
 - 130 units at 80% AMI
 - 130 units at 100% AMI
 - 130 units at 120% AMI
- 100% income and rent restriction for the greater of 15 years or as long as CalPFA owns the project

The proposed financing structure includes CalPFA's issuance of approximately \$180 million of governmental purpose tax-exempt bonds. The senior bonds would be guaranteed by Freddie Mac and secured through Berkadia, and the subordinate bonds would be publicly offered by Jefferies. The bond proceeds would be used by CalPFA to acquire fee-simple ownership of the Project, and to fund related transaction costs. The financing would meet the Authority's issuance guidelines.

Recommendations:

Based on the preliminary public benefit findings of CalPFA's proposed Project acquisition structure, the CalPFA Board shall consider authorizing staff to (1) engage the City of Santa Rosa in gaining the necessary CalPFA local approvals, and (2) work with bond counsel and other finance professionals to prepare the Project acquisition documentation in accordance with the CalPFA Asset Ownership Policy, subject to further review and consideration by the CalPFA Board.