



Agenda

Tuesday, December 21, 2021

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

Time: 11:00 a.m. or soon thereafter, immediately following the meeting of the Kings County Board of Supervisors

COUNTY OF KINGS PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

California Governor Gavin Newsom signed into Law AB 361 on September 16, 2021, relating to the convening of public agency meetings via teleconference in light of the COVID-19 pandemic. Under this authority, the Board of Supervisors will convene its public meetings via video and teleconference. Pursuant to AB 361, and as advised by local Health Officials, the Kings County Board of Supervisors, County staff and interested members of the public may attend the meeting in person. The meeting can also be attended telephonically or by the Internet by sending an email to bosquestions@co.kings.ca.us on the morning of the meeting for an automated email response with the WebEx meeting information. Members of the public attending via WebEx will have the opportunity to provide public comment during the meeting.

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

2. APPROVAL OF MINUTES

Approval of the minutes from the November 16, 2021 regular meeting.

3. CONSENT CALENDAR

- Consideration of approving resolution 21-03M for the addition of program participants to the Authority.
- Consideration of approving the 2022 CalPFA regular meeting calendar.
- Consideration of approving Inducement Resolution 21-07I for Metropolitan Airpark, LLC.
- Consideration of approving CalPFA Financial statements through June 30, 2020 / 2021.

4. NEW BUSINESS

- Consider approving resolution 21-17A for Mangini Place Affordable, LP, City of Folsom, County of Sacramento; up to \$50,000,000 in 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 November 16, 2021 regular meeting.



Action Summary

Tuesday, November 16, 2021

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

Time: 11:00 a.m. or soon thereafter, immediately following the meeting of the Kings County Board of Supervisors

COUNTY OF KINGS PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

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1. CALL TO ORDER

ROLL CALL – Clerk to the Board

MEMBERS PRESENT: JOE NEVES, DOUG VERBOON, CRAIG PEDERSEN, RICHARD FAGUNDES

MEMBERS ABSENT: RICHARD VALLE

2. APPROVAL OF MINUTES

Approval of the minutes from the October 19, 2021 regular meeting.

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

3. CONSENT CALENDAR

a. Consideration of Invoice request 21-03IR for financial statement audit.

b. Consideration of approving resolution 21-02M for the addition of program participants to the Authority.

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

4. NEW BUSINESS

a. Consider approving resolution 21-16A for Siesta Senior Apartments, LP, County of Sonoma; up to \$11,150,000 in revenue bonds. (Staff – Scott Carper)

ACTION: APPROVED AS PRESENTED (DV, RF, JN, CP-Aye, RV-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 11:05 a.m.



3. CONSENT CALENDAR

- a. Consideration of approving resolution 21-03M for the addition of program participants to the Authority.

RESOLUTION NO. 21-03M

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 21st day of December 2021.

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 December 21, 2021.

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. County of Kern



3.CONSENT CALENDAR

- b. Consideration of approving the 2022 CalPFA regular meeting calendar.

2022 REGULAR MEETING CALENDAR

All Regular Meetings of the Authority will be held at the Kings County Board of Supervisors' Chambers beginning at 11:00 AM.
CalPFA reserves the right to conduct a regular meeting during any one of the regularly scheduled meetings of the Kings County Board of Supervisors.

January						
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3.CONSENT CALENDAR

- c. Consideration of approving Inducement Resolution 21-07I for Metropolitan Airpark, LLC.

**DECLARATION OF OFFICIAL INTENT
OF CALIFORNIA PUBLIC FINANCE AUTHORITY
TO REIMBURSE CERTAIN EXPENDITURES
FROM PROCEEDS OF INDEBTEDNESS
FOR METROPOLITAN AIRPARK, LLC**

Resolution #21-071

WHEREAS, the California Public Finance Authority (the “Issuer”) intends to enter into an arrangement with a development entity (the “Development Entity”) for the development of public infrastructure, including streets, storm drains and utilities, solar energy facilities, and airport improvements, including fixed base operations (together the “Project”);

WHEREAS, the Issuer expects the Development Entity to pay certain expenditures (the “Reimbursement Expenditures”) on the Issuer’s behalf in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that debt obligations in an amount not expected to exceed four hundred million U.S. dollars \$400,000,000.00 will be issued and that the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Issuer to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the Issuer declares:

Section 1. The Issuer finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

The undersigned, [Secretary] of the Issuer, hereby certifies that the foregoing is a full, true and correct copy of the declaration of the governing body of said Issuer duly made at a meeting thereof held on the date specified below, and that said declaration has not been amended, modified or revoked by said governing body.

Dated: 12/21/2021

By: _____
Authorized Signatory - CalPFA



3.CONSENT CALENDAR

- d. Consideration of approving CalPFA Financial statements through June 30, 2020 / 2021.

November 30, 2021

Board of Directors
California Public Finance Authority
Hanford, California

Dear Board of Directors:

We have audited the financial statements of California Public Finance Authority (the "Authority") for the year ended June 30, 2021 and have issued our report thereon dated November 30, 2021. Professional standards require that we provide you with the following information related to our audit:

Our Responsibility Under Auditing Standards Generally Accepted in the United States

As stated in our engagement letter dated October 22, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We have read Management's Discussion and Analysis and have found no material inconsistencies with the information appearing in the audited financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our discussions about planning matters, in addition to our engagement letter dated October 22, 2021, accepted by Rebecca Campbell.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. The application of existing accounting policies were not changed during the year.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of revenue recognition methodologies for each revenue stream in Note 1.
- The disclosure of related party transactions and significant contracts in Note 4.
- The disclosure of net position restrictions in Note 5.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

We proposed no audit adjustments that could, in our judgement, either individually or in the aggregate, have a significant effect on the Authority's financial reporting process.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2021, a copy of which accompanies this letter.

Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect the Authority's financial statements or on the type of opinion which may be rendered on the financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors for the preceding year. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

Internal Control Matters

In planning and performing our audit of the financial statements of the Authority as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, significant deficiencies and material weaknesses may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following deficiency in internal control to be a significant deficiency:

Segregation of Duties

Under normal conditions, the Authority's accounting staff is assigned roles and responsibilities that provide for appropriate segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. However, certain individuals have access to modules and can process transactions, including journal entries, within the accounting system that are inconsistent with their primary responsibilities. Because review and oversight may not be sufficient to prevent or detect errors or exceptions that may arise out of this condition, this is considered a significant deficiency in internal control.

Without adequate segregation of duties, the likelihood that unauthorized or false transactions will be prevented or detected in a timely fashion is significantly diminished which may result in misstated financial statements.

We appreciate the opportunity to be of service to the Authority.

This communication is intended solely for the information and use of the Board of Directors and, if appropriate, management and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Enc.



CALIFORNIA PUBLIC FINANCE AUTHORITY

November 30, 2021

Wipfli LLP
10000 W. Innovation Drive, Suite 250
Milwaukee, WI 53226

This representation letter is provided in connection with your audit of the financial statements of California Public Finance Authority ("CalPFA"), which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position and remaining fund information of CalPFA and the respective changes in financial position and cash flows, in conformity with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits and through the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 22, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. There are no adjustments or disclosures which need to be made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8. No uncorrected misstatements were identified.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which CalPFA is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within CalPFA from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of CalPFA or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects CalPFA and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting CalPFA's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of the CalPFA's related parties and all the related party relationships and transactions, including any side agreements.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. CalPFA has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

23. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
24. We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
25. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27. As part of your audit, you assisted with preparation of the financial statements and. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
28. CalPFA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29. CalPFA has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
31. The financial statements include all fiduciary activities required by GASBS No. 84.
32. The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
33. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
35. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
36. Provisions for uncollectible receivables have been properly identified and recorded.
37. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
38. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
39. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

40. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
41. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
42. We have appropriately disclosed CalPFA's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
43. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

Sincerely,

CALIFORNIA PUBLIC FINANCE AUTHORITY



Signature of Authorized Member & Signer

Date Signed 11/30/2021



Signature of Authorized Member & Signer

Date Signed 11/30/2021

California Public Finance Authority

Financial Statements and Supplemental Information

Years Ended June 30, 2021 and 2020



CalPFA

**CALIFORNIA
PUBLIC
FINANCE
AUTHORITY**

WIPFLI

Independent Auditor's Report

Board of Directors
California Public Finance Authority
Hanford, California

Report on the Financial Statements

We have audited the accompanying financial statements of California Public Finance Authority, which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Public Finance Authority as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matter - Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Wipfli LLP
Milwaukee, Wisconsin

November 30, 2021

California Public Finance Authority

Management's Discussion and Analysis

(Unaudited)

June 30, 2021 and 2020

As management of the California Public Finance Authority ("CalPFA" or the "Authority"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended June 30, 2021 and 2020.

CalPFA is a political subdivision of the State of California established under the Joint Exercise of Powers Act for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities throughout California. CalPFA was created by Kings County and the Housing Authority of Kings County, California in May 2015.

The Authority's financings consist of conduit finance issuer transactions. Conduit debt obligations issued through CalPFA are those of the governments, nonprofit organizations, and private companies who are the borrower when the Authority issues conduit bonds under its own governmental status in the tax-exempt and taxable municipal finance marketplace.

CalPFA was established by local governments, for local governments, to provide a means to efficiently and reliably finance projects on behalf of local governments in California. CalPFA is empowered to promote economic, cultural, and community development opportunities that create temporary and permanent jobs, affordable housing, community infrastructure, and improve the overall quality of life in local communities.

Although cities, counties, and special districts are able to issue their own debt obligations or serve as a conduit issuer of private activity bonds that promote economic development and provide critical community services, many local agencies find stand-alone financing too costly or lack the necessary resources or experience to facilitate the bond issuance and perform post-issuance activities for the term of the bonds.

Financial Highlights

For the year ended June 30, 2021, the Authority issued a total of 9 conduit revenue bonds totaling \$581 million and for the year ended June 30, 2020, the Authority issued a total of 8 conduit revenue bonds totaling \$216 million. As of June 30, 2021 and 2020, the total amount of CalPFA conduit debt obligations outstanding issued on behalf of program participants totaled \$1,752 million and \$1,526 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to CalPFA's financial statements. The financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Analysis of the Financial Statements

The statement of net position provides information about the nature and amount of investment in resources (assets) and the obligations (liabilities) of the Authority, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

California Public Finance Authority

Management's Discussion and Analysis

(Unaudited)
June 30, 2021 and 2020

Table 1
Condensed Statement of Net Position

At June 30,	2021	2020
Total current assets	\$ 2,115,526	\$ 1,511,188
Total current liabilities	1,071,390	747,730
Net position:		
Restricted	1,033,158	723,594
Unrestricted	10,978	39,864
Total net position	\$ 1,044,136	\$ 763,458

Assets reported by CalPFA at June 30, 2021 and 2020, consist of cash and cash equivalents received from bond issuance and bond administration fee payments, borrower deposits, deposits held for housing projects submitted to the California Debt Limit Advisory Commission ("CDLAC"), bond administration fees receivable, and restricted cash held in reserve accounts to be used to pay specific expenses of the Authority. Current liabilities are comprised of amounts payable to the Authority's program administrator, GPM Municipal Advisors, LLC (the "Program Administrator"), per the provisions of the Master Services Agreement (Note 4), amounts payable to legal counsel, amounts payable to local communities, and unearned revenue related to pending bond issues and deposits held for CDLAC. At June 30, 2021 and 2020, total payables to the Program Administrator were \$52,572 and \$165,576, and total unearned revenue was \$188,402 and \$91,293.

The statement of revenues, expenses and changes in net position show how the Authority's net position changed during the years ended June 30, 2021 and 2020, and accounts for all of the period's revenues and expenses.

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Position

Years ended June 30,	2021	2020
Total revenues	\$ 910,366	\$ 598,837
Conduit debt expenses	629,763	453,423
Operating income	280,603	145,414
Interest income	75	12,296
Change in net position	280,678	157,710
Beginning net position	763,458	605,748
Ending net position	\$ 1,044,136	\$ 763,458

California Public Finance Authority

Management's Discussion and Analysis

(Unaudited)

June 30, 2021 and 2020

Revenues are comprised of bond issuance and bond administration fees earned by the Authority. Issuance fees are amounts charged to borrowers by CalPFA to issue conduit revenue bonds. The Authority contracts program management services from the Program Administrator. The Authority invoices the borrower in advance for bond issuance fees for conduit issuance services and then places the payment on deposit in trust with nationally-recognized banking institutions. Once the bonds are issued, the trustee distributes payments for services directly to the Program Administrator and the Authority's sponsors, and the deposits become revenue.

Bond administration fees are amounts assessed by the Authority for the performance of ongoing administration and compliance work to help keep long-term bond issues in good standing. Bond administration fees are generally paid semi-annually in arrears by the borrower and are remitted into a trust account with a nationally-recognized bank. For the year ended June 30, 2021 and 2020, the amount of administration fees earned was \$357,120 and \$332,246.

The Authority's operating expenses are comprised of management fees and professional service fees.

The statement of cash flows provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, capital and related financing, and investing activities.

Currently Known Facts and Economic Factors

The Authority expects revenues to remain consistent with past years as it leverages its years of experience in tax-exempt private activity and municipal finance to benefit local communities.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

California Public Finance Authority
1400 West Lacey Boulevard, Building 1
Hanford, California 93230

California Public Finance Authority

Statements of Net Position

At June 30,	2021	2020
Assets		
Current assets:		
Unrestricted cash and cash equivalents	\$ 219,380	\$ 151,517
Restricted cash and cash equivalents	1,052,495	850,366
Restricted cash and cash equivalents - CDLAC	781,293	437,845
Unbilled administration fees	62,358	71,460
Total assets	\$ 2,115,526	\$ 1,511,188
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 52,571	\$ 78,403
Accounts payable - from restricted assets	49,124	140,189
CDLAC deposits	781,293	437,845
Unearned revenue	188,402	91,293
Total current liabilities	1,071,390	747,730
Net position:		
Restricted	1,033,158	723,594
Unrestricted	10,978	39,864
Total net position	1,044,136	763,458
Total liabilities and net position	\$ 2,115,526	\$ 1,511,188

See accompanying notes to financial statements.

California Public Finance Authority

Statements of Revenues, Expenses and Change in Net Position

For the Years Ended June 30,	2021	2020
Bond issuance fees	\$ 553,246	\$ 266,591
Bond administration fees	357,120	332,246
Total revenues	910,366	598,837
Operating expenses:		
Management fees	578,017	390,647
Professional fees	45,370	55,297
Other expenses	6,376	7,479
Total operating expenses	629,763	453,423
Operating income	280,603	145,414
Nonoperating revenues:		
Interest income	75	12,296
Change in net position	280,678	157,710
Total net position - Beginning	763,458	605,748
Total net position - Ending	\$ 1,044,136	\$ 763,458

See accompanying notes to financial statements.

California Public Finance Authority

Statements of Cash Flows

For the Years Ended June 30,	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 1,360,025	\$ 607,242
Cash paid to suppliers and service providers	(746,660)	(461,911)
Net cash and cash equivalents provided by operating activities	613,365	145,331
Cash flows from investing activities:		
Interest received	75	12,296
Net cash and cash equivalents provided by investing activities	75	12,296
Net increase in cash and cash equivalents	613,440	157,627
Cash and cash equivalents - Beginning of period	1,439,728	1,282,101
Cash and cash equivalents - End of period	\$ 2,053,168	\$ 1,439,728
Schedule reconciling operating income to net cash and cash equivalents from operating activities:		
Operating income	\$ 280,603	\$ 145,414
Adjustments to reconcile operating income to net cash and cash equivalents provided by operating activities:		
Changes in operating assets and liabilities:		
Unbilled administration fees	9,102	59,059
Accounts payable	(116,897)	(8,488)
CDLAC deposits	343,448	(80,376)
Unearned revenue	97,109	29,722
Total adjustments	332,762	(83)
Net cash and cash equivalents provided by operating activities	\$ 613,365	\$ 145,331

See accompanying notes to financial statements.

California Public Finance Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Organization

California Public Finance Authority ("CalPFA" or the "Authority") is a political subdivision of the State of California established under the Joint Exercise of Powers Act. CalPFA is empowered to promote economic, cultural and community development opportunities through the issuance of tax-exempt and taxable bonds for public and private entities throughout California. CalPFA was created by Kings County, California and the Kings County Housing Authority.

CalPFA was established by local governments, for local governments, to provide a means to efficiently and reliably finance projects on behalf of local governments in California. CalPFA provides local governments and eligible private entities access to low-cost, tax-exempt and other financing for projects that contribute to social and economic growth and improve the overall quality of life in communities throughout the state.

CalPFA's governing board (the "Board") is comprised of elected Supervisors of Kings County. The Board determines all of CalPFA's financing policies and procedures, which includes a review and approval process for each proposed financing.

Conduit debt obligations issued through the Authority are those of the governments, non-profit organizations, and private companies who use the Authority's own governmental status to access the tax-exempt and taxable municipal finance marketplace. Once a borrower uses the Authority to issue debt, financial servicing of that debt falls to a trustee, or potentially to the investor itself in certain private placements. The Authority maintains no ongoing interest in bonds issued through its conduit and no debt servicing responsibility.

Basis of Accounting and Management Focus

These basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (standards and interpretations), constitute GAAP for governmental units. GAAP also includes guidance from the American Institute of Certified Public Accountants in the publication entitled State and Local Governments. The more significant of the Authority's accounting policies are described below.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Operating revenues result from providing services in connection with the Authority's principal ongoing operations. Operating expenses include management fees, professional fees, and other expenses. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

California Public Finance Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the accompanying financial statements in conformity with GAAP requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates and are subject to change in the near term.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments, which are readily convertible to cash and have remaining maturities of three months or less at the date of acquisition.

Restricted Cash and Net Position

Restricted cash and net position represent net position set aside for CalPFA or program manager purposes as required by the Authority's Services Agreement (see Note 4). Such funds may be disbursed for only the purposes specified in the Services Agreement. Accounts payable from these restricted accounts is separately classified. If disbursed for CalPFA purposes, authorization of the Board is required, and if disbursed for Program Manager purposes, the consent of all management service providers is required.

Certain restricted cash and cash equivalents consist of deposits received from applicants for housing projects submitted to the California Debt Limit Allocation Committee (CDLAC). Deposits are returned to the applicant or remitted to CDLAC based upon CDLAC instructions to the Authority. Funds reserved for these purposes have no impact on net position.

California Public Finance Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Authority receives revenue from various fees. Bond issuance fees are received from bond proceeds and are recognized as revenue upon issuance of the bonds. Administrative fees are invoiced to borrowers monthly or semiannually in arrears and recognized as revenue and receivables as earned.

CalPFA borrower fees consist of the following for the year ended June 30, 2021:

Bond Program	Issuance Fee (up to \$20 million in bonding)	Issuance Fee (over \$20 million in bonding)	Annual Administration Fee
Affordable Housing	17.5 basis points (bps)	\$35,000 Plus 5.0 bps on bond amount over \$20 million	5.0 bps**
501(c)(3) Nonprofit ***	17.5 bps on the first \$10 million plus 5.0 bps on the amount over \$10 million	17.5 bps on the first \$10 million plus 5.0 bps on the amount over \$10 million	1.5 bps
Other exempt facilities, Airports, Solid waste	17.5 bps	\$35,000 plus 10.0 bps on bond amount over \$20 million	5.0 bps
Industrial development	\$20,000	N/A	10.0 bps
Taxable	15.0 bps	\$30,000 plus 5.0 bps on bond amount over \$20 million	1.5 bps
Municipal	12.5 bps	\$25,000 plus 2.5 bps on bond amount over \$20 million	1.5 bps

** Annual administration fee for affordable housing bonds assessed against outstanding bond principal on interest payment date. Minimum fee for each affordable housing project is \$4,000 (a \$1,000 annual compliance monitoring fee will replace the existing annual administration fee throughout the CDLAC compliance period after the qualified project period has expired).

***501(c)(3) nonprofit healthcare financing issuance fee will be capped at \$75,000 per issuance.

All bond-financed projects located within Kings County, California will receive a 25% discount from the standard fees stated above.

Unearned revenue is recorded when issuance fees or administration fees are received prior to their service period. As of June 30, 2021 and 2020, unearned revenues were \$188,402 and \$91,293.

CalPFA shares a portion of its annual administrative fee with public agencies under its Community Benefit Reserve Fund as indicated in Note 4.

California Public Finance Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Authority is a public entity that is exempt from federal and state taxation.

Subsequent Events

The Authority has evaluated subsequent events through November 30, 2021, which is the date the financial statements were available to be issued.

Note 2: Deposits and Investments

California Government Code Section 53601 (the Code) permits the Authority to invest available cash balances in various investments, as outlined by the Code. The Authority maintains its cash and equivalents in a money market account with a financial institution.

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2021, the Authority's bank balances exceeded custodial limits by approximately \$1,780,000.

Note 3: Conduit Debt

Conduit debt refers to certain limited-obligation revenue bonds and notes issued by CalPFA for the express purpose of providing capital financing for a specific third party. Although the conduit debt obligations bear the name of CalPFA, CalPFA has no obligation for such debt beyond the resources provided by financing loans with third parties on whose behalf they were issued. Accordingly, the bonds and notes are not reported as liabilities in the Authority's basic financial statements. There were no conduit bonds authorized but unsold at June 30, 2021 and 2020.

Conduit debt activity for the years ended June 30, 2021 and 2020, are summarized as follows:

Balance at June 30, 2019	\$ 1,334,112,766
New issuances	215,592,000
Principal repayments	(24,199,505)
Balance at June 30, 2020	1,525,505,261
New issuances	581,132,594
Principal repayments	(354,765,929)
Balance at June 30, 2021	\$ 1,751,871,926

At June 30, 2021, there were approximately \$744,200,000 in bonds pending but not issued.

California Public Finance Authority

Notes to Financial Statements

Note 4: Related-Party Transactions/Significant Contracts

CalPFA has entered into a Services Agreement with GPM Municipal Advisors, LLC and certain affiliates (collectively "GPM") for advisory, consulting, and project management services related to CalPFA's finance programs, including post-issuance management and compliance oversight. Acting as CalPFA's staff, GPM personnel implement the issuance policies established by the Board, present transactions to the Board for review and approval, and work with the financial and legal community, local agencies and regulatory bodies, and others to ensure that bonds issued in CalPFA's name remain in good standing. The Services Agreement expires July 6, 2025, with the option for up to three successive five-year renewal periods.

Under the Services Agreement as amended, CalPFA incurred service, consulting, and management fees to GPM of \$574,730 and \$400,647 for the years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, \$52,572 and \$165,576 was payable to GPM for such services.

In addition, the Services Agreement calls for the establishment of the following reserve funds:

Reserve Fund ("RF") - A custody account owned by the Authority and maintained by GPM for the benefit of the Authority with a financial institution acceptable to the Authority for the purpose of payment by GPM on behalf of the Authority of legal, legislative representation, accounting, consulting, professional, and other service fees incurred by GPM in connection with any Authority programs or otherwise in connection with the Service Agreement, subject to authorization by the Authority. The RF receives 5% of issuance and administrative fees.

Community Benefit Reserve Fund ("CBRF") - A custody account owned by the Authority and maintained by GPM for the benefit of the Authority with a financial institution acceptable to the Authority for the purpose of payment by GPM of fees to public agencies. The CBRF receives 10% (affordable housing, industrial development, and other facilities) or 15% (501(c)(3) non-profit) of annual administrative fees collected. The CBRF is designed to offset the cost of public services to any Authority program over the life of the financing.

Note 5: Restricted Net Position

According to the Services Agreement, GPM is directed to deposit 5% of bond issuance and administration fees into the RF (see Note 4). At June 30, 2021 and 2020, \$31,684 and \$(69,461), of net position are restricted for this purpose. When the balance in the RF reaches \$250,000, deposits into the fund will be suspended until such time as the balance falls below \$200,000.

According to the Services Agreement, the Authority retains a portion of the issuance fees and administration fees received. These funds are reserved for use as directed by the CalPFA Board of Directors for the benefit of the Kings County community. Funds reserved for these purposes as of June 30, 2021 and 2020 are \$995,578 and \$786,629.

Additionally, GPM is directed to deposit a portion of bond administration fees into the CBRF (see Note 4). These funds are paid out to the Authority members who held required TEFRA meetings for the Authority in the process of issuing the conduit bonds. The funds are paid out annually, 45 days after fiscal year end. At June 30, 2021 and 2020, \$5,896 and \$6,426 of net position are restricted for this purpose.

California Public Finance Authority

Notes to Financial Statements

Note 5: Restricted Net Position (Continued)

Restricted net position is summarized as follows:

<i>June 30,</i>	2021	2020
Reserve Fund	\$ 31,684	\$ (69,461)
Kings County Community Fund	995,578	786,629
Community Benefit Reserve Fund	5,896	6,426
Total restricted net assets	\$ 1,033,158	\$ 723,594



4. NEW BUSINESS

- a. Consider approving resolution 21-17A for Mangini Place Affordable, LP, City of Folsom, County of Sacramento; up to \$50,000,000 in revenue bonds. (Staff – Caitlin Lanctot)



DATE: DECEMBER 21, 2021

APPLICANT: MANGINI PLACE AFFORDABLE, LP

AMOUNT: \$50,000,000 REVENUE NOTES

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Mangini Place Affordable, LP (the "Borrower") has requested that CalPFA issue revenue notes to assist in the acquisition, construction and development of the Mangini Place Apartments, located at the Northwest corner of Mangini Parkway and Savannah Parkway in Folsom, California (the "Project"). The Project application was filed on April 29, 2021 and received an allocation of tax-exempt bonds on August 11, 2021.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver multifamily housing revenue notes in an amount not to exceed \$50,000,000 (the "Bonds") to finance the acquisition, construction and development of the Project. The Project will provide 152 affordable luxury rental units to families in Folsom with incomes between 30% and 70% of the Area Median Income. The Project will include one, two, and three-bedroom floor plans throughout six three-story buildings.

This proposed community is a Transit Oriented Development ("TOD") with a pedestrian focus that has access to a master planned system of trails, parks and bicycle paths. The Project will be within walking proximity to Mangini Ranch Elementary school, Mangini Park, a master planned Transit Corridor with a fully planned Bus Rapid Transit System, and proximity to a variety of grocery stores, retail shopping and restaurants. The Project will also provide a variety of onsite amenities, programs and classes targeted toward the enrichment and growth of the community and the residents.

TEFRA Information:

TEFRA hearings were held and approved by the City of Folsom on September 28, 2021 and Kings County on September 14, 2021.

Financing Structure:

The construction loan will be privately placed and mature in 30 months and then the loan will convert to permanent financing. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Bond Proceeds	\$31,500,000
Taxable Bonds	\$13,318,448
MGP Loan	\$2,000,000
City of Folsom	\$6,860,000
Tax Credits	<u>\$3,140,000</u>
Total Sources:	\$56,818,448

Uses:

Land Acquisition Cost	\$7,000,000
Hard Construction Costs	\$35,887,413
Impact Fees	\$8,703,271
Senior Loan Interest	\$1,377,017
Financing Costs	\$1,014,209
Other Soft Costs & Reserves	\$1,836,538
Developer Fee	<u>\$1,000,000</u>
Total Costs:	\$56,818,448

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:

- Project units will be income and rent restricted
 - 30 units at 50% AMI
 - 83 units at 60% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for at least 55 years
- The Project will provide after school programs for school age children onsite
- The Project will provide instructor-led adult educational, health and wellness, or skill building classes onsite to residents
- The Project is located near a public park, elementary school, transit, grocery stores and multiple small retailers

RESOLUTION NO. 21-17A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS MANGINI PLACE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

WHEREAS, the California Public Finance Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Joint Exercise of Powers Agreement, dated as of May 12, 2015, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction/rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Mangini Place Affordable, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its Multifamily Housing Revenue Note (Mangini Place Apartments) 2022 Series A-1 (the “Tax-Exempt Note”) and its Multifamily Housing Revenue Note (Mangini Place Apartments) 2022 Series A-2 (Taxable) (the “Taxable Note” and, together with the Tax-Exempt Note, the “Notes”), to assist in the financing of the acquisition, construction and development of a 152-unit multifamily housing rental development located in the City of Folsom, California, and to be known as Mangini Place Apartments (the “Project”);

WHEREAS, on August 11, 2021, the Authority received an allocation in the amount of \$31,500,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$50,000,000, provided that the portion of such Tax-Exempt Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

WHEREAS, the Notes will be executed and delivered to Bank of America, N.A. (the “Funding Lender”), as the initial holder of the Notes 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 execution and delivery of the Notes, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into among the Funding Lender, the Authority and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”);

(2) Project Loan Agreement (the “Project Loan Agreement”) to be entered into among the Authority, the Borrower, and the Fiscal Agent; and

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

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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, the Funding Loan Agreement and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in two or more series. The Notes shall be designated as “California Public Finance Authority Multifamily Housing Revenue Note (Mangini Place Apartments) 2022 Series A-1” and “California Public Finance Authority Multifamily Housing Revenue Note (Mangini Place Apartments) 2022 Series A-2 (Taxable)” including, and to the extent necessary, Notes in one or more series or sub-series designations, with appropriate modifications for such series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$50,000,000; provided that the aggregate principal amount of any such tax-exempt obligations executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below). The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of

the Authority or any Member of the Authority or any Director of the Board of the Authority (each, a “Director”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Director, including any such Director acting as an officer of the Board, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 21-01C of the Authority, adopted on August 31, 2021) (together with the Directors including any such Director acting as an officer of the Board, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Project 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 Project Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, a subordination or intercreditor agreement, an assignment of deed of trust or similar security instrument, any endorsement, allonge or assignment of any note or obligation and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of the

documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. 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, execution and delivery of the Notes, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Notes or any prepayment of the Notes, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Board, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Public Finance Authority this December 21, 2021.

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 December 21, 2021.

By _____
Authorized Signatory

EXHIBIT A
GOOD FAITH ESTIMATES
(Attached.)

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: Mangini Place Affordable, LP.
2. Authority Meeting Date: December 21, 2021.
3. Name of Obligations: 2022 Series A-1 and A-2.
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:
 - (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): BSBY Daily Floating Rate plus 2.35%
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$872,950
 - (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: \$30,049,106
 - (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): \$39,838,859. (construction period interest, permanent term debt service, fees)
5. The good faith estimates provided above 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, ☐ 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: 12/21/2021