



Agenda

Tuesday, February 9, 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

CALPFA PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

California Governor Gavin Newsom issued Executive Orders N-25-20 and N-29-20 on March 12, 2020 and March 17, 2020, respectively, relating to the convening of public agency meetings in light of the COVID-19 pandemic. The California Public Finance Authority hereby provides notice that it will convene its regularly scheduled public meetings by teleconference going forward, except as described below, until further notice.

Pursuant to the Executive Orders, and to maintain the orderly conduct of the meeting, the California Public Finance Authority will allow the Board of Directors, staff and interested members of the public to attend the meeting telephonically or by the Internet, and to participate in the meeting to the same extent as if they were present in the Board's Chambers. Members of the public who choose to attend the meeting virtually, using certain digital or landline phones, may listen to the audio broadcast of the meeting, but will not be able to comment during the meeting. Only those members of the public who cannot participate virtually, due to a need for a special accommodation (vision, hearing, etc.), may attend the meeting in the Board Chambers where efforts will be made to allow adequate social distancing and to ensure that exposed surfaces are sanitized. No more than 10 individuals will be allowed in the Board Chambers at a time. To secure the accommodation consistent with the American's with Disabilities Act and to attend in person, interested parties will need to contact the Clerk of the Board as directed below no later than 8:30 a.m. the morning of the meeting.

Members of the public who wish to observe the meeting virtually can do so via the worldwide web at: <https://youtu.be/zwyE1jrDTk> or go to www.countyofkings.com and click on the "Join Meeting" link.

Members of the public who wish to comment may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for Board consideration or action, and those comments will be entered into the administrative record of the meeting. To submit written comments by U.S. Mail or email for inclusion in the meeting record, they must be received by the Clerk of the Board of Supervisors no later than 9:00 a.m. on the morning of the noticed meeting. To submit written comments by email, please forward them to either bosquestions@co.kings.ca.us. To submit such comments by U.S. Mail, please forward them to: Clerk of the Board of Supervisors, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230

To comment during the meeting by telephone or the Internet, E-mail the Clerk of the Board at any time before or during the meeting at bosquestions@co.kings.ca.us for a phone number, access code and meeting link.

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

2. APPROVAL OF MINUTES

Approval of the minutes from the February 2, 2021 regular meeting.

3. NEW BUSINESS

- a. Consider approving resolution 21-04A for Bidwell Place, LP (Bidwell Place Apartments) City of Folsom, County of Sacramento; up to \$20,000,000 in revenue bonds. (Staff – Caitlin Lanctot)
- b. Consider approving resolution 21-05A for 1st and Kern Affordable Apartments, LP (1st and Kern Apartments) City of Gilroy, County of Santa Clara; up to \$40,000,000 in revenue bonds. (Staff – Caitlin Lanctot)

4. PUBLIC COMMENT

Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

5. STAFF UPDATES

6. ADJOURNMENT

Adjourn as the California Public Finance Authority.



CALIFORNIA
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2. APPROVAL OF MINUTES

Approval of the minutes from the February 2, 2021 regular meeting.



Action Summary

Tuesday, February 2, 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

CALPFA PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

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Pursuant to the Executive Orders, and to maintain the orderly conduct of the meeting, the California Public Finance Authority will allow the Board of Directors, staff and interested members of the public to attend the meeting telephonically or by the Internet, and to participate in the meeting to the same extent as if they were present in the Board's Chambers. Members of the public who choose to attend the meeting virtually, using certain digital or landline phones, may listen to the audio broadcast of the meeting, but will not be able to comment during the meeting. Only those members of the public who cannot participate virtually, due to a need for a special accommodation (vision, hearing, etc.), may attend the meeting in the Board Chambers where efforts will be made to allow adequate social distancing and to ensure that exposed surfaces are sanitized. No more than 10 individuals will be allowed in the Board Chambers at a time. To secure the accommodation consistent with the American's with Disabilities Act and to attend in person, interested parties will need to contact the Clerk of the Board as directed below no later than 8:30 a.m. the morning of the meeting.

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Members of the public who wish to comment may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for Board consideration or action, and those comments will be entered into the administrative record of the meeting. To submit written comments by U.S. Mail or email for inclusion in the meeting record, they must be received by the Clerk of the Board of Supervisors no later than 9:00 a.m. on the morning of the noticed meeting. To submit written comments by email, please forward them to either bosquestions@co.kings.ca.us. To submit such comments by U.S. Mail, please forward them to: Clerk of the Board of Supervisors, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230

To comment during the meeting by telephone or the Internet, E-mail the Clerk of the Board at any time before or during the meeting at bosquestions@co.kings.ca.us for a phone number, access code and meeting link.

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

MEMBERS PRESENT: JOE NEVES, RICHARD VALLE, CRAIG PEDERSEN, RICHARD FAGUNDES

MEMBERS ABSENT: DOUG VERBOON

2. APPROVAL OF MINUTES

Approval of the minutes from the January 26, 2021 regular meeting.

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

3. NEW BUSINESS

- a. Consider approving resolution 21-03A - Expressing the Authority's interest in the financing and ownership of a student housing facility for Napa Valley Community College District. (Staff – Scott Carper)

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

4. PUBLIC COMMENT

Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. None

5. **STAFF UPDATES**

None

6. **ADJOURNMENT**

The meeting was adjourned at 11:29 a.m.



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3. NEW BUSINESS

- a. Consider approving resolution 21-04A for Bidwell Place, LP (Bidwell Place Apartments) City of Folsom, County of Sacramento; up to \$20,000,000 in revenue bonds. (Staff – Caitlin Lanctot)



CALIFORNIA
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DATE: FEBRUARY 9, 2020

APPLICANT: BIDWELL PLACE, LP

AMOUNT: \$20,000,000 REVENUE NOTE

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Bidwell Place, LP (the "Borrower") has requested that CalPFA issue a revenue note to assist in the acquisition, construction/rehabilitation and development of the Bidwell Place Apartments, located at 403 E Bidwell Street in Folsom, California (the "Project"). The Project application was filed on March 13, 2020 and received an allocation of tax-exempt bonds on December 21, 2020.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver a multifamily housing revenue note in an amount not to exceed \$20,000,000 (the "Note") to finance the acquisition, construction/rehabilitation and development of the Project. The Project will provide 75 affordable rental units to families in Folsom. The Project will include studio, one, and two-bedroom floor plans throughout one three-story building.

This proposed new community is a Transit Oriented Development ("TOD") with a pedestrian focus, within walking proximity to a variety of grocery stores, retail shopping and restaurants, including the thriving Sutter Street business district. It also benefits from proximity to the Historic Folsom Light Rail Station and access to bicycle trail and pedestrian walkways.

The project is anticipated to have an 18-month construction period. Construction is anticipated to commence in March 2021 and complete in September 2022.

TEFRA Information:

TEFRA hearings were held and approved by the City of Folsom on May 12, 2020 and Kings County on June 23, 2020.

Financing Structure:

The construction Note will be privately placed and mature in 27 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	\$10,170,000
City of Folsom	\$4,150,000
Taxable Bond Proceeds	<u>\$4,850,000</u>
Total Sources:	\$19,170,000

Uses:

Land Acquisition Cost	\$2,250,000
Demolition	\$119,700
Hard Construction Costs	\$9,125,625
Architectural	\$202,500
Survey & Engineering	\$262,608
Contingency	\$568,959
Construction Interest & Fees	\$305,287
Developer Fee	\$1,720,000
Reserves	\$176,459
Attorney Costs	\$180,000
Permanent Financing Costs	\$430,584
<u>Other Soft Costs</u>	<u>\$3,828,278</u>
Total Costs:	\$19,170,000

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 Note;
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
 - 23 units at 50% AMI
 - 51 units at 60% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for at least 55 years
- The Project will offer an after-school program onsite to residents
- The Project will offer instructor-led educational, health and wellness, or skill building classes onsite to residents
- The Project will include at least one nonsmoking building
- The Project commits to being a Green Community

RESOLUTION NO. 21-04A

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 \$20,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS BIDWELL 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, Bidwell Place, 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 (Bidwell Place Apartments) 2021 Series A-1 (Tax-Exempt) (the “Tax-Exempt Note”) and its Multifamily Housing Revenue Taxable Note (Bidwell Place Apartments) 2021 Series A-2 (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 75-unit multifamily housing rental development located in the City of Folsom, California, and to be known as Bidwell Place Apartments (the “Project”);

WHEREAS, on December 21, 2020, the Authority received an allocation in the amount of \$10,170,000 (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 \$20,000,000, 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, upon conversion of the Notes (the “Conversion”), such Notes will be amended and restated, and executed and delivered to Citibank, N.A. (the “Permanent Lender”), as the subsequent 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) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into among the Authority, the Borrower, the Fiscal Agent and the Funding Lender;

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

(4) Amended and Restated Funding Loan Agreement (the “Amended Funding Loan Agreement”) expected to be entered into among the Permanent Lender, the Authority and the Fiscal Agent in connection with the Conversion; and

(5) Amended and Restated Borrower Loan Agreement (the “Amended Borrower Loan Agreement”) expected to be entered into between the Authority and the Borrower in connection with the Conversion.

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 (Bidwell Place Apartments) 2021 Series A-1 (Tax-Exempt)” and “California Public Finance Authority Multifamily Housing Revenue Taxable Note (Bidwell Place Apartments) 2021 Series A-2” 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 \$20,000,000; 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, and thereafter any amended and restated Notes shall be secured in accordance with the terms of the Amended 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. 18-01C of the Authority, adopted on December 4, 2018) (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 Borrower 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 Borrower 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 Amended Funding 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 Amended 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 any amended and restated Notes shall be as provided in the Amended Funding Loan Agreement as finally executed.

Section 7. The Amended Borrower 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 Amended Borrower 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 8. 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 9. 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, the Amended 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 10. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance, 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 11. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Public Finance Authority this February 9, 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 February 9, 2021.

By _____
Authorized Signatory

EXHIBIT A

GOOD FAITH ESTIMATES

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: Bidwell Place, LP.
2. Authority Meeting Date: February 9, 2021.
3. Name of Obligations: 2021 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): LIBOR Daily Floating Rate + 2.20%
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$551,517
 - (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: \$13,943,200

- (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): \$14,829,797. (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: 2/9/2021



CALIFORNIA
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- b. Consider approving resolution 21-05A for 1st and Kern Affordable Apartments, LP (1st and Kern Apartments) City of Gilroy, County of Santa Clara; up to \$40,000,000 in revenue bonds. (Staff – Caitlin Lanctot)



CALIFORNIA PUBLIC FINANCE AUTHORITY

DATE: FEBRUARY 9, 2020

APPLICANT: 1ST AND KERN AFFORDABLE APARTMENTS, LP

AMOUNT: \$40,000,000 REVENUE NOTE

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

1st and Kern Affordable Apartments, LP (the "Borrower") has requested that CalPFA issue a revenue note to assist in the acquisition, construction/rehabilitation and development of the 1st and Kern Apartments, to be located at the corner of 1st Street and Kern Avenue in Gilroy, California (the "Project"). The Project application was filed on March 24, 2020 and received an allocation of tax-exempt bonds on September 16, 2020.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver a multifamily housing revenue note in an amount not to exceed \$40,000,000 (the "Note") to finance the acquisition, construction/rehabilitation and development of the Project. The Project will provide 120 affordable rental units to families in Gilroy. The Project will include one, two, and three-bedroom units throughout six three-story buildings on a nearly 4-acre site.

Amenities throughout the project will include a clubhouse, 216 covered and uncovered parking spaces, bike parking, green space and an outdoor BBQ area. Unit amenities will include Energy Star appliances, energy efficient lighting, low flow faucets and toilets, storage closets, assigned parking, air conditioning and be network ready. The project will work to exceed title 24 standard and will have photovoltaic solar panels on top of carports. The project is immediately adjacent to Safeway and surrounded by retail amenities.

The project is anticipated to begin construction in March with a completion date in late 2022.

TEFRA Information:

TEFRA hearings were held and approved by the City of Gilroy on October 19, 2020 and Kings County on June 23, 2020.

Financing Structure:

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

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$27,054,246
Taxable Bond Proceeds	\$8,908,090
Developer Equity	\$4,750,000
<u>Low Income Housing Tax Credit Equity</u>	<u>\$12,500,000</u>
Total Sources	\$53,212,336

Uses:

Land Acquisition Cost	\$5,250,000
Permits & Fees	\$6,000,000
Construction Costs	\$28,000,000
Capitalized Interest	\$2,750,000
Financing Costs	\$500,000
Reserves	\$250,000
Soft Costs	\$2,462,336
Contingency	\$1,250,000
Architecture & Engineering	\$2,000,000
<u>Developer Fee</u>	<u>\$4,750,000</u>
Total Uses	\$53,212,336

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 Note;
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
 - 36 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 offer an after-school program onsite to residents
- The Project will offer instructor-led educational, health and wellness, or skill building classes onsite to residents
- The Project will include at least one nonsmoking building
- The Project commits to Energy Efficiency

RESOLUTION NO. 21-05A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS 1ST AND KERN 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 NOTE.

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, 1st and Kern Affordable Apartments, 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 (1st and Kern Apartments) 2021 Series C (the “Note”), to assist in the financing of the acquisition, construction and development of a 120-unit multifamily housing rental development located in the City of Gilroy, California, and to be known as 1st and Kern Apartments (the “Project”);

WHEREAS, on September 16, 2020, the Authority received an allocation in the amount of \$27,054,246 (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 Gilroy is an Additional Member (as defined in the Agreement) and each has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$40,000,000, provided that the portion of such 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 Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note 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 Note, 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 between the Funding Lender and the Authority;

(2) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower;

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

(4) Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender 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 Note in one or more series. The Note shall be designated as “California Public Finance Authority Multifamily Housing Revenue Note (1st and Kern Apartments) 2021 Series C,” including, and to the extent necessary, 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 \$40,000,000; provided that the aggregate principal amount of any federally tax-exempt obligations executed and delivered shall not exceed the Allocation Amount. The Note 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 Note 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 Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement,

and the Note 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. 20-01C of the Authority, adopted on September 15, 2020 (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 of the Note), 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 Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower 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 Borrower 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 Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 7. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 8. 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 Note 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, contingency draw-down agreement, 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 Note 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, execution and delivery of the Note, 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 Note or any prepayment of the Note, 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 10. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Public Finance Authority this February 9, 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 February 9, 2021.

By _____
Authorized Signatory

[Authorizing Resolution – 1st and Kern Apartments]

EXHIBIT A

GOOD FAITH ESTIMATES

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: 1st and Kern Affordable Apartments, LP.
2. Authority Meeting Date: February 9, 2021.
3. Name of Obligations: 2021 Series C.
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): 4.00%
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$275,000
 - (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:

(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): _____. (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: 2/9/2021