



**CALIFORNIA
PUBLIC
FINANCE
AUTHORITY**

Kings County Government Center
1400 W. Lacey Boulevard
Hanford, California 93230
☎ (559) 852- 2362 FAX (559) 585-8047

Agenda

Tuesday, November 1, 2022

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

The meeting can be attended telephonically or by the Internet by clicking this link:

<https://countyofkings.webex.com/countyofkings/j.php?MTID=mff04aa3bc49e330cc2a5e1a6c71e7f74>

or 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.

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 the Board's consideration or action, and those comments will become part of the administrative record of the meeting. Comments will not be read into the record, only the names of who have submitted comments will be read into the record. Written comments received by the Clerk of the Board of Supervisors no later than 8:30 a.m. on the morning of the noticed meeting will be included in the record, those comments received after 8:30 a.m. will become part of the record of the next meeting. To submit written comments by email, please forward them to bosquestions@co.kings.ca.us or by U.S. Mail, please forward them to: Clerk of the Board of Supervisors, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230.

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

2. APPROVAL OF MINUTES

Approval of the minutes from the August 23, 2022 regular meeting.

3. NEW BUSINESS

- a. Consider approving resolution 22-07A for The Aspire, LP, City of Riverside, County of Riverside, California; up to \$20,000,000 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.



Action Summary

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1. **CALL TO ORDER**

The meeting was called to order at 12:00 p.m.

ROLL CALL – Clerk to the Board

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

MEMBERS ABSENT: RICHARD FAGUNDES

2. **APPROVAL OF MINUTES**

Approval of the minutes from the June 7, 2022, regular meeting.

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

3. **CONSENT CALENDAR**

- a. Consideration of approving resolution 22-02M for the addition of program participants to the Authority.

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

4. NEW BUSINESS

- a. Consider approving resolution 22-06A for Divert Dev Co I LLC, City of Turlock, County of Stanislaus, California; up to \$70,000,000 in revenue bonds. (Staff – Scott Carper)

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

5. PUBLIC COMMENT

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

6. STAFF UPDATES

None

7. ADJOURNMENT

The meeting was adjourned at 12:04 p.m.



**CALIFORNIA
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DATE: NOVEMBER 1, 2022
APPLICANT: THE ASPIRE, LP
AMOUNT: \$20,000,000 REVENUE BONDS
PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT
PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

The Aspire, LP (the "Borrower") has requested that CalPFA issue revenue bonds to assist in the acquisition, construction and development of The Aspire Apartments, to be located at 3861-3893 3rd Street in Riverside, California (the "Project"). The Project application was filed on January 6, 2022 and received an allocation of tax-exempt bonds on June 15, 2022 and July 20, 2022.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver multifamily housing revenue bonds in an amount not to exceed \$20,000,000 (the "bonds") to finance the acquisition, construction and development of the Project. The Project will provide 33 affordable rental units to low-income special needs residents in Riverside with incomes at or below 20% of the Area Median Income. The Project will include one-bedroom units in a single 3 story residential building with a community space in the same building. There is a 4th level rooftop for residents to enjoy and interact.

The buildings will utilize state-of-the-art design and high-quality construction standards. The project will serve the proposed population by providing high-quality affordable housing with modern amenities and on-site services. All apartment styles offer contemporary living arrangements. Each apartment will include bathrooms and kitchens (including appliances). The community room will include Conference Room, Case Management Room 1 and Case Management Room 2, Waiting room, Lobby, Living Room, Leasing Office, Break Room, Restroom, and a Storage Area. The unit amenities will include air conditioning, refrigerator, range, disposal, dishwasher, curtains/blinds, and patios.

The project is designed to foster a sense of community among the residents while also integrating into the surrounding neighborhood. To bring residents together, centrally located community areas will house the resident property manager's office and the site amenities for social and supportive services. Upon completion of lease-up, the service provider will coordinate with tenants to determine the appropriate implementation of social services.

TEFRA Information:

TEFRA hearings were held and approved by the City of Riverside on August 2, 2022 and Kings County on July 19, 2022.

Financing Structure:

The construction loan will be privately placed and mature in 24 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:

Tax Exempt Bond Proceeds	\$11,312,725
Taxable Bond Proceeds	\$6,321,353
City Land Donation	\$900,000
Deferred fees and costs	\$4,860,166
<u>Low Income Housing Tax Credits</u>	<u>\$2,158,112</u>
Total Sources	\$25,552,356

Uses:

Land Acquisition Cost	\$1,341,300
Legal & Consulting	\$654,860
Construction Costs	\$13,478,783
Reserves	\$910,355
Soft Costs	\$2,683,667
Contingency	\$788,305
Construction Interest & Fees	\$1,627,837
Architecture & Engineering	\$1,331,260
<u>Developer Fee</u>	<u>\$2,735,989</u>
Total Uses	\$25,552,356

Recommendations:

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

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

Attachment 1

Public Benefits:

- Project units will be income and rent restricted
 - 32 units at 20% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for at least 55 years
- The Project will provide residents a Case Manager and adult educational, health and wellness or skill building classes for at least 15 years
- The Project will provide residents Health or behavioral health services provided by an appropriately licensed organization or individual

RESOLUTION NO. 22-07A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS THE ASPIRE; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

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

WHEREAS, The Aspire, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, construction and development of a 33-unit multifamily rental housing development to be known as The Aspire, located in the City of Riverside, California (the “Project”);

WHEREAS, on June 15, 2022 the Authority received an allocation in the amount of \$10,284,295 from the California Debt Limit Allocation Committee (“CDLAC”), and on August 29, 2022, the Authority received a supplemental allocation in the amount of \$1,028,430 from CDLAC (collectively, the “Allocation Amount”) 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 Riverside is an Additional Member (as defined in the Agreement) and each has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed \$20,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (The Aspire) 2022 Series E (the “Bonds”), provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

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

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 in Exhibit A hereto;

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Public Finance Authority Multifamily Housing Revenue Bonds (The Aspire) 2022 Series E,” with appropriate modifications and 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 tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Treasurer and Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Member of the Authority or any Director of the Board of the Authority (each, a “Director”).

Section 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Director, including any such Director acting as an officer of the Board, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 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 Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance 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 redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Public Finance Authority this November 1, 2022.

The undersigned, an Authorized Signatory of the California Public Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of the Authority at a duly called meeting of the Board of the Authority held in accordance with law on November 1, 2022.

By _____
Authorized Signatory

EXHIBIT A

[to be 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: The Aspire, LP
2. Authority Meeting Date: November 1, 2022.
3. Name of Obligations: 2022 Series E

Construction Loan of \$ 17,104,332 funded by Construction Lender, consisting of:
\$11,312,725 Tax-Exempt Loan; and
\$5,791,607 Taxable Loan

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 Tax-Exempt Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the issue of Tax-Exempt Loan (to the nearest ten-thousandth of one percent): 4.94 %. The true interest cost of the Taxable Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Taxable Loan (to the nearest ten-thousandth of one percent): 5.29%
 - (B) The finance charge of the Tax-Exempt Loan which means the sum of all fees and charges paid to third parties: \$73,533. The finance charge of the Taxable Loan which means the sum of all fees and charges paid to third parties: \$37,645.
 - (C) The amount of proceeds received by the public body for sale of the Tax-Exempt Loan less the finance charge of the Tax-Exempt Loan described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$11,386,258
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Tax-Exempt Loan plus the finance charge of the Tax-Exempt Loan described in subparagraph (B) not paid with the proceeds of the Tax-Exempt Loan (which total payment amount shall be calculated to the final maturity of the Tax Exempt Loan): \$630,891 The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the Taxable Loan plus the finance charge of the Taxable Loan described in

subparagraph (B) not paid with the proceeds of the Taxable Loan (which total payment amount shall be calculated to the final maturity of the Taxable Loan): \$322,988.

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: 11/1/2022