



Agenda

Tuesday, October 24, 2023

Place: MULTI PURPOSE ROOM, Administration Building 1, Kings County Government Center, 1400 W. Lacey Boulevard, 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 on the Internet by clicking this link:

<https://countyofkings.webex.com/countyofkings/j.php?MTID=m716f7f076204c028de3a95a6772d6064>

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 link information. Members of the public attending via WebEx will have the opportunity to provide public comment during the meeting. Remote WebEx participation for members of the public is provided for convenience only. In the event that the WebEx connection malfunctions or becomes unavailable for any reason, the Board of Supervisors reserves the right to conduct the meeting without remote access. *WebEx will be available for access at 8:50 a.m.*

Members of the public who wish to view/observe the meeting virtually can do so on the internet at: www.countyofkings.com and click on the "Join Meeting" button or by clicking this link: <https://youtube.com/live/oy7vYBeYQyY?feature=share>

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

2. APPROVAL OF MINUTES

Approval of the minutes from the October 10, 2023 regular meeting.

3. CONSENT

a. Memorandum of Understanding Agreement for the St. Anton Ascent Project.

4. NEW BUSINESS

a. Consider approving resolution 23-04A for Ascent Affordable, LP, City of Sacramento, County of Sacramento; up to \$30,000,000 in revenue notes. (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.



Action Summary

Tuesday, October 10, 2023

Place: MULTI PURPOSE ROOM, Administration Building 1, Kings County Government Center, 1400 W. Lacey Boulevard, 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 on the Internet by clicking this link:

<https://countyofkings.webex.com/countyofkings/j.php?MTID=md19664e5722b09c7e110494ee97489d8>

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 link information. Members of the public attending via WebEx will have the opportunity to provide public comment during the meeting. Remote WebEx participation for members of the public is provided for convenience only. In the event that the WebEx connection malfunctions or becomes unavailable for any reason, the Board of Supervisors reserves the right to conduct the meeting without remote access. *WebEx will be available for access at 8:50 a.m.*

Members of the public who wish to view/observe the meeting virtually can do so on the internet at: www.countyofkings.com and click on the "Join Meeting" button or by clicking this link: <https://youtube.com/live/HwraCtxIXNI?feature=share>

1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board

ALL MEMBERS PRESENT

2. **APPROVAL OF MINUTES**

Approval of the minutes from the June 20, 2023 regular meeting.

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

3. **CONSENT**

a. Engagement Letter with Attolles Law, s.c. to provide issuer counsel services to CalPFA.

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

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 11:04 a.m.



CALIFORNIA PUBLIC FINANCE AUTHORITY

DATE: OCTOBER 24, 2023

APPLICANT: ASCENT AFFORDABLE, LP

AMOUNT: \$30,000,000 REVENUE NOTE

PURPOSE: FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT

PRIMARY ACTIVITY: AFFORDABLE HOUSING

Background:

Ascent Affordable, LP (the "Borrower") has requested that CalPFA issue a revenue note to assist in the acquisition, construction/rehabilitation and development of the St. Anton Ascent Apartments, to be located at 3561 Del Paso Road in Sacramento, California (the "Project"). The Project application was filed on January 27, 2023, and received an allocation of tax-exempt bonds on May 10, 2023.

Description of Proposed Project:

The Borrower is requesting CalPFA to issue and deliver a multifamily housing revenue note in an amount not to exceed \$30,000,000 (the "note") to finance the acquisition, construction/rehabilitation, and development of the Project. The Project will provide 120 affordable rental units to low-income residents in Sacramento with incomes at or below 70% of the Area Median Income. The Project will include one, two, and three-bedroom units in five garden style walk-up buildings. A single-story community building and a variety of amenities and open spaces will be available to all residents. The Project is located in a commercial corridor with convenient access to shopping, entertainment, and transit.

The Project will have many community amenities, including a clubhouse, fitness center, leasing office, swimming pool, fully equipped kitchen, and employment and educational training classrooms. The project features a sundeck with active and passive features. In addition, the project's nonprofit partner will provide on-site resident services such as wellness, educational, and after-school programs throughout the year.

TEFRA Information:

TEFRA hearings are scheduled for October 24, 2023 by the City of Sacramento and Kings County.

Financing Structure:

The construction loan will be privately placed and mature in no more than 36 months and then the loan will convert to permanent financing. The interest rate is currently estimated around 6.47%. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Construction Loan	\$15,180,000
4% LIHTC Equity Bridge	\$14,974,152
State Tax Credit Equity Bridge	\$5,737,500
SMUD All-Electric Incentive	\$187,500
Tax Credit Equity	<u>\$3,938,736</u>
Total Sources:	\$40,017,888

Uses:

Land Acquisition Cost	\$3,000,000
New Construction Costs	\$25,034,880
General Conditions/Overhead/Profit	\$3,504,884
Hard Cost Contingency	\$1,426,988
BMO Loan Fee	\$270,594
BMO Legal	\$75,000
Other Soft Costs	\$3,575,394
Developer Fee	\$200,000
BMO Interest Reserve	<u>\$2,930,148</u>
Total Costs:	\$40,017,888

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
 - 12 units at 30% AMI
 - 12 units at 50% AMI
 - 48 units at 60% AMI
 - 47 units at 70% AMI
 - 1 manager's unit
- The Project will remain income and rent restricted for at least 55 years
- The Project will provide residents instructor-led adult educational, health and wellness or skill building classes for at least 15 years
- The Project will provide residents with after school programs for school age children for at least 15 years

RESOLUTION NO. 23-04A

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT TO BE GENERALLY KNOWN AS ST. ANTON ASCENT; 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, Ascent Affordable, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Public Finance Authority Multifamily Housing Revenue Note (St. Anton Ascent) 2023 Series B (the “Note”) to assist in the financing of the acquisition, construction and development of a 120-unit multifamily housing rental development to be located in the City of Sacramento, California, and to be known as St. Anton Ascent (the “Project”);

WHEREAS, on May 10, 2023, the Authority received an allocation in the amount of \$23,330,000 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 Sacramento intends to become an Additional Member (as defined in the Agreement) and each has, or shall by the time of execution and delivery of the Note, authorized the execution and delivery of the Note, such execution and delivery to be contingent upon the City of Sacramento becoming an Additional Member of the Authority;

WHEREAS, on October 24, 2023, the County of Kings and the Sacramento Housing and Redevelopment Agency, on behalf of the City of Sacramento (the “SHRA”), each expects to hold a public hearing on the proposed execution and delivery of the Note, as required under the Internal Revenue Code of 1986, following published notice of such hearing, and thereafter, the County of Kings and the City of Sacramento shall approve by resolution the execution and delivery of the Note pursuant to the Agreement, the execution and delivery of the Note to be contingent upon the holding of such hearings and receipt of approvals related thereto;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$30,000,000, 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 BMO Bank, N.A. (the “Funding Lender”), as the initial holder of the Note, in accordance with the Authority’s private placement policy;

WHEREAS, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”) has entered into an agreement with the Funding Lender whereby Freddie Mac has committed to facilitate the permanent financing of the Project by purchasing the Funding Loan as evidenced by the Note from Greystone Servicing Company, LLC (the “Freddie Mac Seller/Servicer”), subject to such Freddie Mac Seller/Servicer’s purchase of the Funding Loan as evidenced by the Note from the Funding Lender upon the date of completion of the construction of the Project and subject to satisfaction of certain conditions as described in the Funding Loan Agreement and that certain Construction Phase Financing Agreement, among the Funding Lender, Freddie Mac and the Freddie Mac Seller/Servicer as acknowledged and agreed to by 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 in Exhibit A attached 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 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) A proposed form of Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into by and among the Funding Lender, the Authority and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”);

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

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

(4) A proposed form of Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by and between the Funding Lender and the Borrower.

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note. The Note shall be designated as “California Public Finance Authority Multifamily Housing Revenue Note (St. Anton Ascent) 2023 Series B” or such other designation of the Authority and including, if and to the extent necessary, 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 \$30,000,000; provided that the aggregate principal amount of any such 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 facsimile 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. 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 Note 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 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, loan related documents, 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 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 October 24, 2023.

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 October 24, 2023.

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: Ascent Affordable, LP
2. Authority Meeting Date: October 24, 2023.
3. Name of Obligations: 2023 Series B.
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):

Tax-Exempt: 30-day SOFR + 231bps
Taxable: 30-day SOFR + 250bps
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$768,699**
 - (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: **\$31,921,301**
 - (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): **\$36,246,514** (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: 10/24/2023