



KEYS FAMILY DAY SCHOOL SUMMARY AND RECOMMENDATIONS

Applicant:	Keys Family Day School
Action:	Final Resolution
Amount:	\$13,000,000
Purpose:	Finance and/or Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Facilities, Located in the City of Palo Alto, California.
Activity:	Private School
Meeting:	October 29, 2010

Background:

During the 1930's Key School founders Betsy Danon and Inge Zumwalt were teaching at an elementary school, their school soon merged with a local military school and the beginning of Keys Schools was formed.

Keys School is an independent, K-8 school that offers a broad hands-on curriculum. It fosters high academic achievement and emphasis balanced growth – intellectually, physically, emotionally, and socially – for every student. Within a diverse and highly supportive community, Keys is committed to maintaining a caring and creative environment that encourages child to love learning, to take intellectual risks, and to treat others with respect and empathy.

While high academic achievement is one result, the ultimate goal of learning is to create independent, curious, self-directed learners who can apply knowledge and deep understanding not only in the realm of abstract theory and thought, but also in the context of real-world problems.

Keys School unites its students with community resources through numerous field trips, educational assemblies and a multitude of community service. The Students recently had the opportunity to participate in a classroom activity, performance and play with the inspiring touring program, The Spirit of Uganda, an advocacy group for AIDS awareness and prevention. Students have also participated in a variety of activities raising money for Bay Area charities as well as worked with the community and local hardware stores in reducing carbon dioxide emissions.

The Project:

The proceeds of the Bonds will be loaned to Keys Family Day School, Inc., a California not-for-profit corporation (the "Corporation"), pursuant to a loan agreement. The Corporation will use such moneys to provide a plan of financing to: (i) refinance an outstanding bank loan that financed the acquisition of land and construction of various improvements to the Corporation's Middle School Campus located at 3981 El Camino Real, Palo Alto, California (the "El Camino Campus"); (ii) fund certain other capital expenditures, renovations, equipment and relocation expenditures at the El Camino Campus and the Corporation's property located at 2890 Middlefield Road, Palo Alto, California (the "Middlefield Campus"); and (iii) pay other expenses related to the issuance of the Bonds, including but not limited costs of issuance (collectively, the "Project"). The Project will be owned and operated by the Corporation.

The Master Loan Agreement structure will allow First Republic Bank to loan the CMFA \$12,000,000 and in turn the CMFA will loan the \$12,000,000 to Keys Family Day School.

The City of Palo Alto:

The City of Palo Alto is a member of the CMFA and held the TEFRA on August 2, 2010. The City will receive approximately \$7,333 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Bond Proceeds:	\$ 12,000,000
Total Sources:	\$ 12,000,000

Uses of Funds:

Refinance Bank Loan:	\$ 10,500,000
Improvements:	\$ 1,500,000
Total Uses:	\$ 12,000,000

Terms of Transaction:

Amount:	\$13,000,000
Rate:	Multi-modal
Maturity:	2040
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Estimated Closing:	November 2010

Public Benefit:

Keys School is an integral part of the community and the neighborhood. The School provides a highly regarded educational program that motivates students to reach their fullest academic potential by providing them with engaging learning projects, teaching them to work collaboratively, and developing their skills as lifelong learners.

While high academic achievement is one result, the ultimate goal of learning is to create independent, curious, self-directed learners who can apply knowledge and deep understanding not only in the realm of abstract theory and thought, but also in the context of real-world problems and situations.

Keys School unites its students with community resources through numerous field trips, educational assemblies and a multitude of community service projects. The students have had the opportunity to participate in a classroom activity, performance and play with the inspiring touring program, The Spirit of Uganda, an advocacy group for AIDS awareness and prevention. Students have also participated in a variety of activities raising money for Bay Area charities as well as worked with the community and local hardware stores in reducing carbon dioxide emissions.

Keys School has a Financial Aid Policy that seeks to attract and retain families whose values are consistent with the School's overall mission. The School also recognizes that diversity in population provides for a richer overall school experience. Financial aid is therefore a crucial component in the School's efforts to continually broaden the socio-economic diversity of the School. The School endeavors to make its education affordable to all qualified applicants, regardless of a family's ability to pay, while at the same time emphasizing that the primary responsibility for financing a student's education rests with the family. Financial aid funding is provided through the School's general operating budget, and the School strives to maintain an annual aid percentage that is at or above the California Association of Independent Schools ("CAIS") average for similar schools.

Finance Team:

Bond Purchaser:	First Republic Bank
Purchaser Counsel:	Sidley Austin LLP
Bond Counsel:	Hawkins Delafield & Wood LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Cox, Castle & Nicolson LLP
Financial Advisor:	Stone & Youngberg LLC

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$13,000,000 of tax-exempt bonds to finance the construction, improvement and equipping of Educational Facilities located in the City of Palo Alto, California.



THE OAKWOOD SCHOOL SUMMARY AND RECOMMENDATIONS

Applicant:	The Oakwood School
Action:	Final Resolution
Amount:	\$10,000,000
Purpose:	Finance and Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Educational Facilities, Located in the City of Los Angeles, Los Angeles County, California.
Activity:	Private School
Meeting:	October 29, 2010

Background:

Founded in 1951, Oakwood School is a coeducational, independent, non-sectarian, college preparatory school in North Hollywood. Their secondary school includes grades 7 through 12; located on a separate campus, their elementary school includes kindergarten through grade 6. Oakwood draws its student body from the diverse communities of Los Angeles County. They are accredited by the Western Association of Schools and Colleges (WASC) and are a Member of the National Association of Independent Schools (NAIS).

Enrollment and Class Size are as follows, in grades 7-12 there are approximately 75-80 students in each grade. Average class size is 15-20. The secondary school student body is comprised of 246 boys and 218 girls. Students of color represent approximately 27% of the secondary school population. Oakwood provides Financial Aid awards to 17% of Oakwood families (132 students) with a total financial aid budget of \$2,300,000. The faculty consists of 63 faculty members who hold 26 Master's and 12 Doctoral degrees. Oakwood's interscholastic sports offers 20 different sports and 30 or more teams at the middle school and high school level. In the last 25 years, Oakwood has won over 60 league championships, participated in 22 C.I.F. team finals, won two C.I.F. championships and been awarded the C.I.F. Sportsmanship Award 17 times.

The Project:

The proceeds of the Bonds will be loaned to Oakwood School for (a) the Improvements; (b) all other buildings, structures and other improvements situated, placed or constructed on the Property or at any of the following addresses: 11548 Magnolia Boulevard, 11559-11567 Magnolia Boulevard, 11576 Magnolia Boulevard, 11644 Magnolia Boulevard or 11230 Moorpark Street, North Hollywood, California, or any other location acquired, constructed, renovated, furnished or equipped with proceeds of the Borrower Loan; (c) all materials, supplies, equipment, apparatus and other items of personal property owned by Borrower and attached to, installed in or used in connection with the Facility, including, without limitation, water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements.

This transaction will utilize a bank-qualified tax-exempt loan structure created by the American Recovery and Reinvestment Act ("ARRA") which will expire on December 31, 2010. The \$10,000,000 in proposed tax-exempt obligations, \$3,200,000 will be used to repay tax-exempt Certificates of Participation issued by the City of Los Angeles in 1998 (1998 COPs) in an original principal amount of \$6,000,000. The proceeds of the 1998 COPs were used to construct a music/dance/athletic center.

The remaining \$6,800,000 will be dedicated to the following: Refinancing three existing taxable bank loans for \$1,885,000 which was incurred between November 2005 and August 2008 to fund capital projects. \$4,915,000 will be used to finance various capital projects being undertaken by Oakwood, including, but not limited to, engineering, architectural and consulting services relating to the further development and expansion of campus facilities; upgrades to telecommunications systems; installation of a traffic light; acquisition and installation of modular classrooms; renovation of school buildings; upgrades in lighting and environmental control systems; development of on-site parking; landscape and hardscape improvements; acquisition of one or more of the properties located at 11220 Moorpark Street, 11605 Magnolia Boulevard, and 11535 Hartsook Street; original issue discount and cost of issuance. New construction is expected to commence in October 2010, and will last through the next three years.

By refinancing both the tax-exempt and taxable debts, the school will reduce its debt service obligation and increase cash flow as a result of the two percent drop in interest rate which translates into an approximate annual savings of \$78,000.

The City of Los Angeles:

The City of Los Angeles is a member of the CMFA and completed the TEFRA on October 22, 2010. The City will receive approximately \$6,666 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$	9,925,000
Equity:	\$	<u>75,000</u>
Total Sources:	\$	10,000,000

Uses of Funds:

Refunding 1998 COPs:	\$	3,200,000
Refinancing Taxable Loans:	\$	1,885,000
Acquisition of Land & Buildings:	\$	2,000,000

Rehabilitation of Buildings:	\$	965,000
Acquisition of New Equipment:	\$	800,000
Pre-Development Costs:	\$	950,000
Costs of Issuance:	\$	<u>200,000</u>
Total Uses:	\$	10,000,000

Terms of Transaction:

Amount:	\$10,000,000
Maturity:	2035
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Estimated Closing:	November 2010
Rate:	Fixed Rate

Public Benefit:

The Oakwood School is a coeducational, independent, non-sectarian, college preparatory school in North Hollywood. Oakwood draws its student body from the diverse communities of Los Angeles County. They are accredited by the Western Association of Schools and Colleges (WASC) and are a Member of the National Association of Independent Schools (NAIS). Oakwood provides Financial Aid awards to 17% of Oakwood families (132 students) with a total financial aid budget of \$2,300,000. The school provides a climate where the values of community, self-worth, compassion, respect, service, and responsibility are taught as part of the school's tradition. Oakwood School is committed to academic excellence and to the nurturing of decent, loving, and responsible human beings.

Finance Team:

Lender:	First Republic Bank
Bank Counsel:	Joyce Schenewerk (In house Counsel)
Bond Counsel:	Kutak Rock LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Pillsbury Winthrop Shaw Pittman LLP
Borrower Financial Advisor:	Growth Capital Associates, Inc.

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$10,000,000 of tax-exempt bonds to finance or refinance the cost of the acquisition, construction, improvement, renovation and equipping of educational facilities, located in the City of Los Angeles, Los Angeles County, California.



LOS ALTOS FOOD SUMMARY AND RECOMMENDATIONS

Applicant: A & C Investments, LLC

Action: Final Resolution

Amount: \$10,000,000

Purpose: Finance the Cost of Construction, Rehabilitation, Improvement and Equipping of Certain Manufacturing Processing and Distribution Facilities Located In the City of Industry, County of Los Angeles, CA.

Activity: Manufacturing

Meeting: October 29, 2010

Background:

Los Altos Food Products, Inc. was incorporated in the City of Industry, California in 1998. The company is owned by Corin Andrade and Alin Andrade. The company is a manufacturer of cheese products such as Queso Fresco, Cotija, Adobera, Panela, Requeson, Cincho, Oaxaca, Quesadilla and Crema. Its major customers include grocery store chains throughout California, Arizona, Colorado and Texas, restaurant chains and food companies.

It all started in Mexico with a well known cheese called - cotija. Twenty-three years ago, Raul and Gloria Andrade entered the dairy industry when they began importing cotija cheese from Mexico to the United States. They saw a wonderful opportunity to move their business to the states and offer it to a promising market due to the increasing need for the production of this type of cheese in Southern California. It was then in 1981 when they started their first company and co-founded Cotija in Los Angeles, California. Later, in 1989, Los Altos Food Products was solely founded in City of Industry. The name derives from the most popular and successful cheese region in Mexico, Los Altos Jalisco.

Now, more than two decades later, this small family business has grown into a well established family business with over 100 employees and more than 10 delicious

dairy products. Their dedicated staff at Los Altos is committed to the Mexican business philosophy – family and quality first... everything else will fall in place.

The Project:

The company acquired 5.4 acres of land and an existing building in 2008. The existing building was demolished, and a new facility was constructed in early 2010. The building, which is a new food production and cold storage facility, will enable an improved process flow and provide room for additional manufacturing capacity. Bond proceeds will be used to reimburse the company for costs of the construction of a new, 91,877 square-foot food production facility with cold storage.

City of Industry:

The City of Industry is a member of the CMFA and held a TEFRA hearing on August 26, 2010. The City of Industry is expected to receive approximately \$6,250 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	<u>\$10,000,000</u>
Total Sources:	\$10,000,000

Uses of Funds:

Construction of New Building:	\$ 9,000,000
Bond Issuance Expense:	<u>\$ 200,000</u>
Total Uses:	\$10,000,000

Terms of Transaction:

Amount:	\$10,000,000
Rate:	Fixed Rate
Collateral:	Deed of Trust
Maturity:	2020
Bond Purchasers:	Private Placement
Estimated Closing:	November 2010

Public Benefit:

The City of Industry will enjoy an increase and diversification of the local tax base through salaries, wages, sales taxes, property taxes, and other local revenues generated through various vendors and businesses supporting the Borrower.

Finance Team:

Underwriter:	GE Government Finance Inc.
Underwriter Counsel:	Kutak Rock LLP
Bond Counsel:	Fullbright and Jaworski
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Jonathan Stevens
Trustee:	Marshall & Ilsley Trust Company

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution in the amount of \$10,000,000 to finance the cost of construction, rehabilitation, improvement and equipping of certain manufacturing processing and distribution facilities located in the City of Industry, County of Los Angeles, California.



THE CHILDREN'S SCHOOL SUMMARY AND RECOMMENDATIONS

Applicant:	The Children's School for Child-Centered Education, Inc.
Action:	Final Resolution
Amount:	\$3,000,000
Purpose:	Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Educational Facilities, Located in the City of San Diego, County of San Diego, California.
Activity:	Private School
Meeting:	October 29, 2010

Background:

The Children's School is a co-ed, independent non-profit school located in San Diego, California, now serving students from pre-Kindergarten through Grade 8. For nearly 40 years, The Children's School has been dedicated to (a) providing students in San Diego communities with the best education possible by developing children's intellect, creativity, character and compassion, (b) developing and refining new instructional techniques based on current and changing research regarding education and child development, and (c) training teachers from other schools, public and private, in the best instructional and developmental techniques. The Children's School maintains a community of families who value learning-by-doing in a collaborative, creative environment that fully prepares students for higher education and overall success.

The mission of The Children's School is to inspire each child to fulfill his or her unique potential through strong academic and social curriculum, thereby creating a foundation and instilling the desire for lifelong learning. The School places equal importance on the process of learning and the content of learning.

The Children's School is governed by an independent volunteer Board of Trustees comprised of both parents and non-parents and draws from a variety of backgrounds and experiences. The Board of Trustees is responsible for ensuring the long-term viability and integrity of the school and establishes policies that adhere to the mission, vision, and values of the school.

For over 20 years, the School has been accredited by the California Association of Independent Schools.

The Project:

With the proceeds of the tax-exempt loan issue, The Children's School will refinance the remaining balance of the construction loan it borrowed to complete its recent campus expansion. The expansion, completed in August 2010, allowed the School to expand its curriculum to include a Middle School (grades 6-8) and to enhance the learning opportunities for all of its students with new specialized space. The expansion was designed with a great deal of input from the community at-large and it incorporated the desires of neighbors and public interest groups. The expansion included approximately 12,000 square feet of new buildings, plus gardens, new parking, and outdoor common facilities. The new buildings house classrooms for the 5th through 8th grades, a high-tech music laboratory serving the entire student body, an arts and crafts room, new administrative offices, and a multi-media room serving The Children's School community.

The total cost of expansion was approximately \$4,513,000. The project costs of \$2,925,000 were financed with a construction loan from First Republic Bank. The balances of the costs were paid from donations received by the School as part of a major capital campaign. The construction loan was recently paid down to \$2,725,000 by a \$200,000 donation made at the time the expansion was completed.

The purpose of the requested new loan is to provide a take-out loan for the School's current short-term construction/mini-perm loan with a balance of \$2,725,000 and to pay for the costs of obtaining this new loan, estimated to be \$75,000.00.

The County of San Diego:

The County of San Diego is a member of the CMFA and is expected to hold a TEFRA hearing on November 9th. The County will receive approximately \$1,866 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$	<u>2,800,000</u>
Total Sources:	\$	2,800,000

Uses of Funds:

Construction Loan Refinance:	\$	2,725,000
Cost of Issuance:	\$	<u>75,000</u>
Total Uses:	\$	2,800,000

Terms of Transaction:

Amount:	\$3,000,000
Maturity:	2040
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Estimated Closing:	November 2010

Public Benefit:

The expansion project benefits the public by improving education for children within and outside The Children's School and by producing productive, ethical, and knowledgeable public citizens. The expansion allows the School to offer its programs to middle school students who, without the expansion, would not have the opportunity to remain at or attend The Children's School. Of all schools in the U.S., 10% are private. But only 10% of that 10% offer a curriculum that is not limited by either a particular religious affiliation or a for-profit motivation. The expansion of The Children's School therefore helps to increase the availability of this unique opportunity to teach and grow children in a way that is best for the children, unfettered by politics, religion and money.

The project also increases the ability of the School to continue to develop instructional and child-development techniques based on the rapid advances in the field of cognitive neuroscience and to share these developments with teachers and administrators of other schools, both public and private.

Expansion of the Children's School benefits the public by increasing the educational choices for area residents and their children, improving education for its existing and new students as well as those in other schools, and relieves the cost burden of public schools.

Finance Team:

Underwriter:	First Republic Bank
Underwriter Counsel:	Hecht Solberg Robinson Goldberg & Bagley LLP
Bond Counsel:	Benesch, Friedlander, Coplan & Aronoff LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Vanguard Law Group, LLP
Borrower Financial Advisor:	Western Solutions Inc.

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$3,000,000 of tax-exempt bonds to refinance the acquisition, construction, improvement, renovation and equipping of facilities, located in the City of San Diego, County of San Diego, California.



REGIONAL CENTER OF ORANGE COUNTY SUMMARY AND RECOMMENDATIONS

Applicant: Jake's LIFE

Action: Final Resolution

Amount: \$25,000,000

Purpose: Finance the Acquisition, Rehabilitation, Improvement and Equipping of Certain Improvements for Use Primarily as Office Facilities to be Owned by Jake's LIFE Located In the City Of Santa Ana, County Of Orange, CA.

Activity: Social Services for Individuals with Disabilities

Meeting: October 29, 2010

Background:

Regional Centers (of which there are 21 throughout the state) are Nonprofit Corporations that contract with the California Department of Developmental Services ("DDS") to provide or coordinate services and supports of individuals with developmental disabilities.

The Regional Center of Orange County Inc. ("RCOC"), founded in 1977, is the sole agency under contract with DDS for State-funded services for persons with developmental disabilities in the County of Orange (the "County"). RCOC has approximately 400 full-time employees and its service area encompasses the entire County. RCOC provides services to approximately 17,000 consumers. RCOC's contracted revenues from the State exceeded \$283 million in fiscal year 2009-10. The current DDS Contract was renewed in 2009 and expires in 2014. The contract has been renewed continuously since RCOC's founding.

Regional Centers provide diagnosis and assessment of eligibility and help plan, access, coordinate and monitor the services and supports that are needed because of a developmental disability. There is no charge for the diagnosis and eligibility assessment. Once eligibility is determined, a case manager or service coordinator is assigned to help develop a plan for services that help the patient know whether services are available, and help the patient get the services. Most services and supports are free regardless of age or income.

Developmental disabilities include autism, epilepsy, cerebral palsy, and cognitive disabilities such as mental retardation and Down-Syndrome.

Jake's LIFE (the "Corporation") is a California nonprofit public benefit corporation. The Corporation was established in 2010 to contribute to the general welfare of society by providing assistance to persons residing in California who have developmental disabilities or are at risk of developmental delays or disabilities and their families. The Corporation will facilitate and augment the coordination of services and programs of the RCOC, a California nonprofit public benefit corporation, which aids and assists the developmentally disabled. The Corporation is organized exclusively as a supporting organization for RCOC.

The Project:

The proposed bond proceeds will be used to (i) finance the acquisition, rehabilitation, improvement and equipping of an office facility in the City of Santa Ana, California for lease by the Corporation to RCOC, (ii) finance capitalized interest, (iii) fund a debt service reserve for the Bonds, and (iv) pay certain of the costs of issuing the Bonds.

A portion of the proceeds of the Bonds will be used to finance the acquisition, rehabilitation, improvement and equipping of the Facility for lease by the Corporation to RCOC. The Facility consists of a four-story building located at 1525 N. Tustin, Santa Ana, California 92705, with approximately 82,042 rentable square feet. The Facility is being acquired to satisfy a portion of the long-term facility needs of RCOC. The Corporation will receive an independent third party MAI appraisal before the delivery of the Bonds indicating that the value of the Facility is no less than the purchase price for the Facility.

City of Santa Ana:

The City of Santa Ana is a member of the CMFA and is expected to hold a TEFRA hearing on November 15th. The City of Santa Ana is expected to receive approximately \$10,862 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$22,580,341.65
Equity Contribution:	<u>\$ 6,393.17</u>
Total Sources:	\$22,586,734.82

Uses of Funds:

Building Acquisition Costs:	\$19,395,000.00
Capitalized Interest Account:	\$ 565,356.87
Debt Service Reserve Fund:	\$ 1,728,556.25
Costs of Issuance:	<u>\$ 458,821.70</u>
Total Uses:	\$22,586,734.82

Terms of Transaction:

Amount:	\$25,000,000
Rate:	Fixed Rate
Collateral:	Deed of Trust on property
Ratings:	Baa1 (anticipated) Moody's
Maturity:	2040
Bond Purchasers:	Institutional & Retail
Estimated Closing:	December, 2010

Public Benefit:

RCOC provides services to approximately 17,000 consumers. RCOC's service area encompasses the entire County of Orange

The Regional Center will be offering the following services:

- Information and referral
- Assessment and diagnosis
- Counseling
- Lifelong individualized planning and service coordination
- Resources Development
- Outreach
- Advocacy
- Early intervention series for at risk infants and their families
- Genetic Counseling
- Family Support
- Community Education about developmental disabilities

Finance Team:

Underwriter:	Westhoff, Cone & Holmstedt
Underwriter Counsel:	Hawkins, Delafield & Wood LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Real Estate Advisor:	Cushman & Wakefield
Bond Counsel:	Fulbright & Jaworski LLP
Borrower Counsel:	Woodruff, Spradlin & Smart
Trustee:	Union Bank, N.A.
Rating Agency:	Moody's Investors Service

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution in the amount of \$25,000,000 of tax-exempt private activity bonds to finance the acquisition, rehabilitation, improvement and equipping of certain improvements for use primarily as office facilities to be located in the City of Santa Ana, County of Orange, California.



ARROYO VISTA FAMILY & SENIOR HOUSING SUMMARY AND RECOMMENDATIONS

Applicant: Eden Investments, Inc.

Action: Initial Resolution

Amount: \$35,000,000 (Not to exceed)

Purpose: Finance the Acquisition and Construction of Affordable Housing in the City of Dublin, California

Activity: Family & Senior Affordable Housing

Meeting: October 29, 2010

Background:

Eden Housing was founded in May of 1968 by six community activists who were greatly concerned about the lack of non-discriminatory, affordable housing in Alameda County. These pioneers, working out of makeshift "headquarters" such as local coffee shops, were initiated into affordable housing development by rehabilitating six older homes in Oakland for first time homebuyer families. Their next project was a much larger development, the 150-unit Josephine Lum Lodge for seniors in Hayward. Since those pioneering days, Eden has created more than 5,000 affordable housing units that have provided homes for thousands of people over the years. Eden's housing now includes rental apartments, first-time homeowner opportunities, cooperatives, and supportive living environments for families, seniors and people with disabilities.

Although Eden Housing's initial home base for development was Alameda County, Eden's charter calls for the organization to work wherever there is a need for affordable housing in California. Eden has so far partnered with twenty-seven cities in seven counties and is expanding its geographical operations at a rapid pace to new communities, including the San Joaquin Valley.

In the mid-1980s, in an effort to guarantee that its properties remain well-kept and affordable for the long term, Eden incorporated an affiliated property management company, Eden Housing Management, Inc., (EHMI). EHMI currently provides quality onsite management and maintenance of more than 4,000 affordable homes in ten counties throughout California. Eden

also expanded the scope of affordable housing development to include the provision of free onsite support services and programs for its residents. To design and implement its resident support services, Eden founded an additional affiliate, nonprofit Eden Housing Resident Services, Inc.

The Project:

Eden Housing, Inc., a non-profit developer, and Citation Homes Central, a market-rate developer, are proposing to build a new development that will include approximately 378 family and senior units in 3 communities to replace 150 units of public housing on a 23.8 acre site in Dublin, CA. This linear site is located on Dougherty Boulevard and borders Alamo Creek. The Village Center at the core of the development will include a Community Building and a new Child Care Center. Additional satellite recreational areas, both passive and active, will be scattered throughout the development.

The 3 communities are: a 50 unit Affordable Senior Apartment Community, a 130 unit Affordable Family Apartment Community and 198 For-sale Market Rate Attached and Detached homes. Seven percent of the For-Sale homes will be targeted for families with incomes at 80%-120% of the Area Median Income (AMI). Eden Housing will develop a total of 180 units for this project to include the 50 unit Affordable Senior Apartment Community and the 130 unit Affordable Family Apartment Community to be built on separate parcels and operated separately.

The Affordable Senior Community will be targeted to seniors with incomes between 30% and 50% of AMI and it has been awarded 100% Project Based Section 8 Vouchers. The Affordable Family Community will be targeted to families with incomes between 30% and 60% of AMI with 4 units at 80% of AMI but underwritten at 60%. All the other 60% units are underwritten at 55% of AMI. The Affordable Family Community has been awarded 25% Project Based Section 8 Vouchers (32 units).

A central main street will link the various community elements and create a unified, pedestrian-friendly development. The affordable housing will be located at the heart of the site while the market-rate units will be split into two areas creating “bookends” around the affordable family and senior communities. This layout will:

- Create a Village Center supporting the affordable family, senior and market-rate communities; and
- Integrate market-rate and affordable components of the project, thus achieving a greater degree of economic diversity.
- Support effective property management

The Village Center, located at the crossroads of Main Street and the central entry drive, will contain a concentration of community-based uses: the 3,000 square foot child care facility, the 3,000 square foot Community Building, and two primary large open spaces. The Senior Apartment Community also will be located at the Village Center to enhance the connection between young and old. The Family residential buildings are sited to create satellite recreation areas, enabling all units to have excellent open space access. Walkways will connect the development to the adjacent natural creek environment. A mixture of building types have been developed to create choices for residents and variety for the broader community.

The Citation Homes Market-Rate units will have tuck-under parking and surface parking for the affordable units (some carports and some uncovered) and will be located in adjacent satellite lots.

The City of Dublin:

The City of Dublin will need to become a member of the CMFA and hold a TEFRA hearing. The City of Dublin is expected to receive approximately \$15,000 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>
Tax-Exempt Bond Proceeds:	\$31,000,000
Direct & Indirect Public Funds:	\$18,600,000
FHLB AHP:	\$ 1,290,000
Deferred Developer Fee:	\$ 670,000
Equity:	<u>\$20,196,000</u>
Total Sources:	\$71,756,000

Uses of Funds:	
Acquisition Costs:	\$15,028,000
Permits & Fees:	\$ 6,147,000
Hard Construction Costs:	\$38,199,000
Architect & Engineering Fees:	\$ 2,596,000
Legal and Professional:	\$ 232,000
Demolition/Abatement/Site Maintenance:	\$ 598,000
Financing & Syndication Costs:	\$ 3,947,000
Cost of Issuance:	\$ 417,000
Indirect Costs & Developer Fee:	<u>\$ 4,592,000</u>
Total Sources:	\$71,756,000

Terms of Transaction:

Amount:	\$35,000,000 (not to exceed)
Maturity:	35 years.
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	August, 2011

Public Benefit:

Arroyo Vista Family and Senior Apartments will provide 180 affordable apartments for families and elderly households with incomes below the area median income. Dublin's community has been significantly impacted by the dramatic rise in rents and housing prices. Dublin's families

and seniors tend to be disproportionately renters and they suffer from lower-incomes and substandard housing conditions in much larger percentages than the population as a whole.

Percent of Restricted Rental Units in the Project: 100%
(22 Units) restricted to 30% or less of area median income households; and
(37 Units) restricted to 40% or less of area median income households; and
(92 Units) restricted to 50% or less of area median income households; and
(25 Units) restricted to 55% or less of area median income households; and
(4 Units) restricted to 80% or less of area median income households;
Unit Mix: 1, 2, 3 & 4 bedroom
Term of Restriction: 55 years

Finance Team:

Underwriter: TBD
Bond Counsel: Quint and Thimmig LLP
Underwriter Counsel: TBD
Issuer Counsel: Squire, Sanders & Dempsey LLP
Borrower Counsel: Joyce Hiyama Glatt
Borrower Consultant: Community Economics

Recommendation:

It is recommended that the CMFA Board of Directors adopt an Initial Resolution in the amount of \$35,000,000 of tax-exempt private activity bonds to finance an affordable housing project in the City of Dublin, California.

Note: This transaction is subject to review and final approval at the Final Resolution.