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## CALDEN APARTMENTS SUMMARY AND RECOMMENDATIONS

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**Applicant:** Pacific West Communities, Inc./ TELACU Homes, Inc.

**Action:** Final Resolution

**Amount:** \$76,000,000

**Purpose:** Finance Affordable Multi-Family Rental Housing Project  
Located in the City of South Gate, Los Angeles County,  
California

**Activity:** Affordable Housing

**Meeting:** August 30, 2013

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Background:

Pacific West Communities, Inc. (“PWC”) was formed as a real estate development and financing firm that specializes in construction and rehabilitation of affordable workforce housing throughout the Western United States. With a particular emphasis on the use of the affordable housing tax credit, PWC and its related companies develop multi-family and senior citizen housing in the states of California, Arizona, New Mexico, Utah, Oregon, Montana, Idaho, Nevada, Colorado, Washington, and Wyoming. Currently PWC owns and operates approximately 110 developments with over 6,000 units of affordable housing.

TELACU was established as a pioneering institution committed to service, empowerment, advancement, and the creation of self-sufficiency. Chartered as a Community Development Corporation (CDC), TELACU was initially funded through federal legislation authored by Senators Robert F. Kennedy and Jacob K. Javits to revitalize urban, underserved communities throughout the United States.

Utilizing a unique business model – The TELACU Model – for community and economic development, each and every business TELACU owns and operates has a double bottom line – profitability that is inseparable from social impact. The parent, non-profit CDC owns and operates a Family of Companies called TELACU Industries. These for-profit businesses not only provide valuable products and services to the community; but they also provide the economic means for TELACU to sustain its non-profit community-focused entities.

The Project:

The Calden Apartments is a new construction multi-family housing development project with a proposed 216 units located on approximately 5.0 acres of vacant land in the City of South Gate, County of Los Angeles. The unit mix is comprised of 71 two-bedroom units, 115 three-bedroom units, and 30 four-bedroom units. The proposed project will target families earning up to 60% of the area median income for Los Angeles County. The project will include approximately 5,000 square feet of community facilities. These facilities will consist of a centrally located leasing and accounting office, maintenance room, computer learning center, laundry facilities, community kitchen, exercise room and a large multi-use room.

The financing for this project contains three series of bonds. The Series A Bond is the permanent loan by Red Stone in the amount of \$24,500,000. Series A will also have a credit enhancement provided by Wells Fargo Bank. The Series B Bond is the construction loan by Wells Fargo Bank in the amount of \$25,500,000. The Series C bond will be a seller take back note in the amount of \$26,000,000. The seller take back note will be held by AMG & Associates, LLC who is the current land owner of the property.

The City of South Gate:

The City of South Gate became a member of the CMFA and held a TEFRA hearing on April 9, 2013. Upon closing, the City is expected to receive approximately \$21,833 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$76,000,000	\$50,500,000
LIH Tax Credit Equity:	\$ 6,032,489	\$35,095,573
Deferred Costs & Def. Developer Fees:	<u>\$ 3,563,084</u>	<u>\$ 0</u>
Total Sources:	\$88,622,206	\$85,595,573

Uses of Funds:

Acquisition/Land Purchase:	\$ 2,105,000
On & Off Site Costs:	\$ 4,820,000
Hard Construction Costs:	\$64,213,712
Architectural & Engineering Fees:	\$ 600,000
Contractor Overhead & Profit:	\$ 3,205,520
Developer Fee:	\$ 2,500,000
Cost of Issuance:	\$ 1,143,826
Capitalized Interest:	\$ 1,100,000
Other Soft Costs (Marketing, etc.):	<u>\$ 5,907,515</u>
Total Uses:	\$85,595,573

Terms of Transaction:

Amount:	\$76,000,000
Maturity:	35 years
Collateral:	Deed of Trust on property & Credit Enhancement
Offering:	Private Placement
Estimated Closing:	September 2013

Public Benefit:

A total of 216 families will now enjoy high quality, independent, affordable housing in the City of South Gate. Services at the complex will include a community room, lounge, and outdoor space for seating and relaxing. The new construction of this project will provide affordable living in the City of South Gate for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
10% (22 Units) restricted to 50% or less of area median income households; and  
90% (192 Units) restricted to 60% or less of area median income households.  
Unit Mix: Two, three and four bedroom  
Term of Restriction: 55 years

Finance Team:

Perm Lender:	Red Stone Financial, LLC
Construction Lender:	Wells Fargo Bank
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Tax Counsel:	Bocarsly, Emden, Cowan, Esmail & Arndt LLP
Perm Lender Counsel:	Greenberg Traurig, LLP
Construction Lender Counsel:	Dentons US LLP
Borrower Counsel:	Clayton McReynolds
Limited Partner Counsel:	Katten Muchin Rosenman LLP
Financial Advisor:	Miller Housing Advisors

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$76,000,000 for the Calden Apartments affordable housing project located in the City of South Gate, Los Angeles County, California.



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## CAMARILLO APARTMENTS SUMMARY AND RECOMMENDATIONS

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Applicant: Fairfield Residential Company/ Wakeland Housing & Development Corporation

Action: Amended & Restated Resolution

Amount: \$20,000,000 (Not to Exceed)

Purpose: Finance Affordable Multi-Family Rental Housing Facility Located in the City of Camarillo, County of Ventura, California

Activity: Affordable Housing

Meeting: August 30, 2013

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Background:

Fairfield Residential Company is among the most experienced multifamily real estate operating companies in the United States. The Company was built around providing complementary services throughout the life cycle of a project to real estate investors. They provide acquisitions, entitlement, development, construction, redevelopment, property and asset management, and disposition services to their joint venture affiliates and to third party entities.

They are privately held and offer a diversified product line including new construction of luxury apartment homes, university student housing, tax credit affordable housing properties, and redeveloped apartment homes in urban and suburban infill neighborhoods. They have specialized experience in mixed-use and transit-oriented attached housing communities.

They are active in nearly 40 geographically diverse markets across the country and employ approximately 1,600 people, as well as numerous local contractors and subcontractors in the markets in which they operate. They have regional offices and administrative or specialty offices strategically located throughout the country to serve their operations.

Wakeland Housing and Development Corporation (“Wakeland”) was founded in 1998 as a nonprofit corporation. With its for-profit and non-profit partners, Wakeland has developed, acquired and rehabilitated over 5,000 units of affordable housing, emerging as a leader in affordable housing communities in San Diego and throughout California.

Wakeland works with a variety of municipalities, developers and redevelopment agencies throughout California. They utilize federal, state and local funding resources including tax exempt bonds and tax credits and leverage other funds from the private and public sectors.

Wakeland's board of directors is comprised of affordable-housing, community and business leaders. Their team of highly qualified staff has expertise in both affordable housing and on-site resident service programs that offer unique opportunities for families and individuals to enhance their job marketability and enrich their lives. This is the third transaction that the CMFA has participated in with Wakeland Development.

The Project:

The Camarillo Apartments project is a new construction of a 100-unit multifamily rental housing facility, located at 350 S. Lewis Road, in the City of Camarillo, California. It is to be owned and/or operated will be owned by a limited partnership or limited liability company to be established by Fairfield Investment Company LLC. The project will be a joint venture between Fairfield Residential and Wakeland Housing & Development Corporation. The project will provide the following services and amenities; pool, clubhouse, computer room, after school program, covered parking. The complex consists of one, two and three-bedroom units. Targeted residents will have a household income between 50% and 60% of AMI.

The City of Camarillo:

The City of Camarillo will need to become a member of the CMFA and hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$12,500 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 15,000,000
Seller Financing:	\$ 900,000
Deferred Developer Fee:	\$ 2,500,000
City of Fairfield Advance:	\$ 630,000
Equity:	<u>\$ 9,500,000</u>
Total Sources:	\$ 28,530,000

Uses of Funds:

Land Acquisition:	\$ 50,000
New Construction:	\$ 23,330,000
Architectural & Engineering:	\$ 1,040,000
Legal & Professional:	\$ 710,000
Debt Service:	\$ 650,000
Developer Fee:	\$ 2,500,000
Working Capital:	<u>\$ 250,000</u>
Total Uses:	\$ 28,530,000

Terms of Transaction:

Amount:	\$20,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2013

Public Benefit:

A total of 100 new households will be able to enjoy high quality, independent, affordable housing in the City of Camarillo. Services at the complex will include an onsite services coordinator and many educational programs for children and adults. The new construction of this project will provide affordable living in the City of Camarillo for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
10% (10 Units) restricted to 50% or less of area median income households; and  
31% (90 Units) restricted to 60% or less of area median income households.  
Unit Mix: 1, 2 & 3 bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Rutan & Tucker, LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Amended and Restated Resolution of \$20,000,000 for the Camarillo Apartments affordable housing project located in the City of Camarillo, Ventura County, California.

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



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## **MAIN STREET PARK I APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant: MidPen Housing Corporation

Action: Initial Resolution

Amount: \$8,000,000 (Not to Exceed)

Purpose: Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of Half Moon Bay, County of San  
Mateo, California

Activity: Affordable Housing

Meeting: August 30, 2013

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### Background:

MidPen Housing Corporation (“MidPen”) is one of the nation’s leading non-profit developers, owners and managers of high-quality affordable housing. MidPen has developed over 100 communities and 6,600 homes for low-income families, seniors and special needs individuals throughout Northern California over the last 40 years. MidPen’s developments are award-winning and nationally recognized. MidPen has extensive experience in site acquisition and planning, entitlements, community outreach, design, and construction management. The organization has a solid track record in securing both public and private funding and proven expertise in positioning projects for long-term financial sustainability. In addition, MidPen provides comprehensive on-site services and programs to help residents advance. These services are delivered through the organization’s staff and a network of over 300 service provider partners. This is our eighth transaction with Mid-Peninsula Housing Coalition.

### The Project:

The Main Street Park I Apartments project is an acquisition rehabilitation of a 36-unit affordable multifamily rental housing facility, located at 1101 Main Street, Half Moon Bay, California. Main Street Park I was developed in 1996 with low-income tax credits as the first phase of a larger affordable housing development. The units are arranged in a 10 building complex separated by green open spaces and include several large family units, large parks, playgrounds, a computer lab and a community room. The units are restricted to households with 50-60% of AMI. The

financing of this project will result in the preservation of affordability for 36 apartments for an additional 55 years.

The City of Half Moon Bay:

The City of Half Moon Bay will need to become a member of the CMFA and hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$3,347 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 5,500,000
Seller Financing:	\$ 1,154,979
Sponsor Loan:	\$ 2,000,000
San Mateo County Loan:	<u>\$ 1,810,000</u>
Total Sources:	\$ 10,464,979

Uses of Funds:

Land Acquisition:	\$ 825,000
Building Acquisition:	\$ 4,675,000
Rehabilitation:	\$ 2,640,000
Architectural & Engineering:	\$ 156,700
Legal & Professional:	\$ 100,000
Debt Service:	\$ 651,937
Developer Fee:	\$ 1,152,623
Cost of Issuance:	<u>\$ 263,719</u>
Total Uses:	\$ 10,464,979

Terms of Transaction:

Amount:	\$8,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	March 2014



Public Benefit:

A total of 36 existing households will be able to continue to enjoy high quality, independent, affordable housing in the City of Half Moon Bay. Services at the complex will include parks, computer labs, onsite service manager, support programs and many educational programs for children and adults. The rehabilitation of this project will provide affordable living in the City of Half Moon Bay for an additional 55 years.

Percent of Restricted Rental Units in the Project: 100%  
27% (10 Units) restricted to 50% or less of area median income households; and  
73% (26 Units) restricted to 60% or less of area median income households.  
Unit Mix: 1, 2, 3 & 4 bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Gubb & Barshay LLP
Financial Advisor:	Community Economics

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$8,000,000 for the Main Street Park I Apartments affordable housing project located in the City of Half Moon Bay, San Mateo County, California.

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



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## **SAN TOMAS GARDENS APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Charities Housing Development Corporation
Action:	Final Resolution
Amount:	\$27,262,340
Purpose:	Finance Multi-Family Affordable Housing Located in the City of Campbell, Santa Clara County, California
Activity:	Affordable Housing
Meeting:	August 30, 2013

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### Background:

The mission of Charities Housing Development Corporation is to develop, preserve, and manage affordable housing for low-income individuals and their families. Through service enhanced property management and structured resident involvement, Charities Housing contributes to the highest standards of human dignity and participation in their community.

For many years, Catholic Charities of Santa Clara County had known that affordable housing was one of the most significant needs of many people receiving services. As a result, Catholic Charities established the Division of Housing Development and Services in 1990 and formed Charities Housing Development Corporation (“Charities Housing”) in 1993 to address the need.

Charities Housing is organized as a Community Housing Development Organization (“CHDO”) where a third of their board members are representatives of the low-income community. Their award winning projects are located throughout Santa Clara County and the range of housing types includes service-enriched housing for extremely low-income individuals as well as traditional affordable multi-family housing. Charities Housing actively manages all properties and provides appropriate resident services through Catholic Charities.

### The Project:

San Tomas Gardens Apartments is rehabilitation located on a flat 5.347 acre site and was built in 1972. There are a total of 100 apartments including the manager's unit. All the floor plans are the same for each unit type with a full kitchen, living room, dining room, kitchen and half bath located on the ground floor and a full bath and bedrooms located on the second floor. Site features a community building with laundry facilities and four playgrounds/ recreation areas.

The City of Campbell:

The City of Campbell became a member of the CMFA and held a TEFRA hearing on February 5, 2013. Upon closing, the City is expected to receive approximately \$13,710 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$27,262,340	\$16,441,000
LIH Tax Credit Equity:	\$ 601,950	\$12,037,091
Other - Seller Financing:	<u>\$10,557,029</u>	<u>\$11,742,407</u>
Total Sources:	\$38,421,319	\$40,220,498

Uses of Funds:

Acquisition/Land Purchase:	\$21,538,908
On & Off Site Costs:	\$ 732,214
Hard Construction Costs:	\$ 8,390,584
Architectural & Engineering Fees:	\$ 722,211
Contractor Overhead & Profit:	\$ 549,136
Developer Fee:	\$ 2,446,093
Relocation:	\$ 1,250,000
Cost of Issuance:	\$ 537,160
Capitalized Interest:	\$ 1,717,770
Other Soft Costs (Marketing, etc.):	<u>\$ 2,316,422</u>
Total Uses:	\$40,200,498

Terms of Transaction:

Amount:	\$27,262,340
Maturity:	17 years.
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	September 2013

Public Benefit:

San Tomas Gardens Apartments will continue to provide 99 affordable apartments for low-income multi-family households and one manager unit. The City of Campbell low-income community has a serious need for affordable housing. Campbell is located just southwest of San Jose with many residents working in Silicon Valley. This project will continue to help supply the area with affordable housing for 55 years.

Percent of Restricted Rental Units in the Project: 96%

77% (76 units) restricted to 50% or less of area median income households.

19% (19 units) restricted to 60% of area median income households.

Unit Mix: 2, 3 & 4 bedrooms

Term of Restrictions: 55 years

Finance Team:

Lender:	Citibank, N.A.
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Paul Hastings, LLP
Lender's Tax Counsel:	Eichner & Norris, PLLC
Borrower Counsel:	Gubb & Barshay LLP
Financial Advisor	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$27,262,340 for the San Tomas Gardens Apartments located in the City of Campbell, Santa Clara County, California.



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## **SIERRA VISTA I APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Charities Housing Development Corporation
Action:	Final Resolution
Amount:	\$10,100,000
Purpose:	Finance Multi-Family Affordable Housing Located in the City of Mountain View, Santa Clara County, California
Activity:	Affordable Housing
Meeting:	August 30, 2013

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### Background:

The mission of Charities Housing Development Corporation is to develop, preserve, and manage affordable housing for low-income individuals and their families. Through service enhanced property management and structured resident involvement, Charities Housing contributes to the highest standards of human dignity and participation in their community.

For many years, Catholic Charities of Santa Clara County had known that affordable housing was one of the most significant needs of many people receiving services. As a result, Catholic Charities established the Division of Housing Development and Services in 1990 and formed Charities Housing Development Corporation (“Charities Housing”) in 1993 to address the need.

Charities Housing is organized as a Community Housing Development Organization (“CHDO”) where a third of their board members are representatives of the low-income community. Their award winning projects are located throughout Santa Clara County and the range of housing types includes service-enriched housing for extremely low-income individuals as well as traditional affordable multi-family housing. Charities Housing actively manages all properties and provides appropriate resident services through Catholic Charities.

### The Project:

Sierra Vista I Apartments is rehabilitation of an affordable housing project located on a 1.8 acre site and was originally constructed in 1974. There are 34 apartments located in 5 buildings. The buildings are all wood frame slab on grade, two-story townhome style construction. The rehabilitation will include new fiber cement siding and insulation will be installed in the exterior walls. The asphalt shingled roofs on the residential buildings will also be replaced. Minor

upgrades to the electrical, plumbing and mechanical fixtures such as; changing 100% of existing light fixtures to fluorescent fixtures, installing low flow toilets, faucets and shower heads and cleaning/replacing duct work as necessary to ensure more efficient operation of heating systems will be completed.

The City of Mountain View:

The City of Mountain View became a member of the CMFA and held a TEFRA hearing on January 22, 2013. Upon closing, the City is expected to receive approximately \$5,900 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 9,439,545	\$ 4,464,100
LIH Tax Credit Equity:	\$ 241,224	\$ 4,822,561
Direct & Indirect Public Funds	\$ 375,311	\$ 375,311
Other (Seller Financing):	<u>\$ 7,154,419</u>	<u>\$ 8,050,433</u>
Total Sources:	\$17,210,499	\$17,712,405

Uses of Funds:

Acquisition/Land Purchase:	\$10,641,418
On & Off Site Costs:	\$ 176,418
Hard Construction Costs:	\$ 2,872,290
Architectural & Engineering:	\$ 434,447
Contractor Overhead & Profit:	\$ 184,024
Developer Fee:	\$ 1,066,563
Relocation:	\$ 410,000
Cost of Issuance:	\$ 267,127
Capitalized Interest	\$ 717,921
Cost of Issuance	<u>\$ 942,197</u>
Total Uses:	\$17,712,405

Terms of Transaction:

Amount:	\$10,100,000
Maturity:	17 years.
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	September 2013

Public Benefit:

Sierra Vista I Apartments will continue to provide 29 affordable apartments for low-income multi-family households and 5 market rate apartments. The City of Mountain View's low-income community has a serious need for affordable housing. Mountain View is located just south of Palo Alto, the heart of Silicon Valley. This project will continue to help supply the area with affordable housing for 55 years.

Percent of Restricted Rental Units in the Project: 88%

79% (26 units) restricted to 50% or less of area median income households; and

9% (3 units) restricted to 60% or less of area median income households.

Unit Mix: 2, 3 & 4 bedrooms

Term of Restrictions: 55 years

Finance Team:

Lender:	Citibank, N.A
Bond Counsel:	Jones Hall APLC
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Paul Hastings, LLP
Lender's Tax Counsel:	Eichner & Norris, PLLC
Borrower Counsel:	Gubb & Barshay LLP
Financial Advisor	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$10,100,000 for the Sierra Vista I Apartments located in the City of Mountain View, Santa Clara County, California.



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## **WINDSOR MOBILE COUNTRY CLUB SUMMARY AND RECOMMENDATIONS**

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**Applicant:** Resident Owned Parks, Inc.

**Action:** Initial Resolution

**Amount:** \$30,000,000 (Not to Exceed)

**Purpose:** Refinance an Affordable Mobile Home Park Multi-Family Rental Housing Facility Located in the Town of Windsor, California

**Activity:** Affordable Housing (Mobile Home Park)

**Meeting:** August 30, 2013

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**Background:**

Resident Owned Parks, Inc. (“ROP”) is a California nonprofit public benefit corporation that purchases and manages mobile-home parks to preserve affordable housing. The utilization of tax-exempt bond financing enables ROP to maintain rents necessary to pay for debt service, operation, maintenance, and prudent reserves without the addition of profit margins imposed by private investor purchasers.

Established in 2001 at the request of mobile home owners, ROP has the experience and expertise to guide mobile home owners through the complexities of a mobile home park acquisition and management services. The team of professionals at ROP has the legal, financial, real estate, consulting, and property management experience and expertise to make the dream of park ownership a reality. The leaders of ROP have a proven 30-year track record of representing the interests of mobile home owners. By meeting with residents of a park and conferring as to their desires and financial abilities, ROP can determine the form of park purchase which would best serve the interests of homeowners.

This is the CMFA’s third transaction with ROP.



The Project:

The Windsor Mobile Country Club transaction is a refinancing of the California Municipal Finance Authority Mobile Home Park Revenue Note, 2008 Note A in the initial principal amount of \$1,701,004 and its California Municipal Finance Authority Mobile Home Park Revenue Note, Subordinate 2008 Note B in the initial principal amount of \$23,000,000, and Resident Owned Parks, Inc., borrowed \$508,645.00 from Summit State Bank, and the proceeds of the 2008 Authority Notes and the 2008 Corporation Loan were used by the Corporation to acquire and establish reserves for a 336 space mobile home park located at 8109 Conde Lane in the Town of Windsor, California

The Refinancing of the CMFA original notes would ensure another 30 years of affordability for the residents of the Windsor Mobile Country Club mobile home park.

Sonoma County:

Sonoma County is a member of the CMFA and is scheduled to hold a TEFRA hearing on September 17, 2013. Upon closing, the County is expected to receive approximately \$14,166 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 28,250,000
Total Sources:	\$ 28,250,000

Uses of Funds:

Repayment of Original Seller Loan:	\$ 23,000,000
Repayment of Original Bank Loan:	\$ 2,200,000
Debt Service Reserve Fund:	\$ 2,000,000
Cost of Issuance:	\$ 1,050,000
Total Uses:	\$ 28,250,000

Terms of Transaction:

Amount:	\$30,000,000 (not to exceed)
Maturity:	35 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Public Offering
Rating:	S&P (TBD)
Estimated Closing:	October 2013

Public Benefit:

This refinancing will allow 239 residents of the Windsor Mobile Country Club to maintain their affordable rents. This will allow the residents to avoid the fate of seven other mobile home parks in Sonoma County that have been sold to private investors and then the properties have been converted to mobile home subdivisions, thereby allowing rent control restrictions to be avoided.

Percent of Restricted Rental Pads in the Project: 71%  
71% (239 spaces) restricted to 50% or less of area median income household.  
Pad Mix: Single- & Double-Wide  
Term of Restrictions: 30 years

Finance Team:

Underwriter: Westhoff, Cone and Holmstedt  
Bond Counsel: Quint & Thimmig LLP  
Issuer Counsel: Jones Hall, APLC  
Underwriter Counsel: TBD  
Borrower Counsel: Levy, Levy and Levy

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$30,000,000 for the Windsor Mobile Country Club project located in the Town of Windsor, Sonoma County, California.

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



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## **WOODLANDS NEWELL APARTMENTS SUMMARY AND RECOMMENDATIONS**

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**Applicant:** MidPen Housing Corporation

**Action:** Final Resolution

**Amount:** \$11,000,000

**Purpose:** Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of East Palo Alto, San Mateo County,  
California

**Activity:** Affordable Housing

**Meeting:** August 30, 2013

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### Background:

MidPen Housing Corporation (“MidPen”) is one of the nation’s leading non-profit developers, owners and managers of high-quality affordable housing. MidPen has developed over 100 communities and 6,600 homes for low-income families, seniors and special needs individuals throughout Northern California over the last 40 years. MidPen’s developments are award-winning and nationally recognized. MidPen has extensive experience in site acquisition and planning, entitlements, community outreach, design, and construction management. The organization has a solid track record in securing both public and private funding and proven expertise in positioning projects for long-term financial sustainability. In addition, MidPen provides comprehensive on-site services and programs to help residents advance. These services are delivered through the organization’s staff and a network of over 300 service provider partners. This is our seventh transaction with Mid-Peninsula Housing Coalition.

### The Project:

Woodlands Newell Apartments is an acquisition and rehabilitation of two multifamily affordable housing scattered site projects located about 0.1 mile apart. The project is located in the City of East Palo Alto. The project serves individuals, couples and large families and is located in a residential neighborhood surrounded by other multi-family rental properties. Both properties will have exterior and interior work done. Due to the age of the project, a great deal of updating to the project will be done to improve the energy efficiencies and safety. All units have full kitchens and access to a community room and laundry facilities. Construction is expected to start in August,

2013 and be completed in October, 2014. The rehabilitation will be phased across four 3.5 month phases. The first two phases will be for Woodlands and the last two phases will be for Newell.

The County of San Mateo:

The County of San Mateo is a member of the CMFA and held a TEFRA hearing on April 23, 2013. Upon closing, the County is expected to receive approximately \$6,875 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$11,000,000	\$ 3,237,600
Seller Take-Back Loan:	\$ 6,864,633	\$ 6,864,633
Deferred Developer Fee & Project Reserves:	\$ 1,546,428	\$ 477,100
Limited Partner Equity:	\$ 354,366	\$ 7,087,316
Direct & Indirect Public Funds:	\$ 554,977	\$ 2,653,755
Deferred Int. on Loans & Inc. during Const:	<u>\$ 513,888</u>	<u>\$ 513,888</u>
Total Sources:	\$20,834,292	\$20,834,292

Uses of Funds:

Land Acquisition:	\$ 7,825,000
On & Off Site Costs:	\$ 100,000
Hard Construction Costs	\$ 5,522,276
Architectural & Engineering Fees:	\$ 587,600
Contractor Overhead & Profit:	\$ 739,340
Developer Fees:	\$ 1,707,809
Relocation:	\$ 1,570,000
Cost of Issuance:	\$ 332,125
Capitalized Interest:	\$ 710,079
Other Soft Costs:	<u>\$ 1,740,063</u>
Total Uses:	\$20,834,292

Terms of Transaction:

Amount:	\$11,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	September 2013

Public Benefit:

Forty-Seven families will continue to be able to enjoy high quality affordable housing in the City of East Palo Alto. Services at the complex will include adult education, after school tutoring and crisis intervention. The acquisition and rehabilitation of this project will provide affordable living in the City of East Palo Alto for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
32% (15 Units) restricted to 50% or less of area median income households  
68% (32 Units) restricted to 60% or less of area median income households  
Unit Mix: Studio, 1, 2, 3 and 4 bedrooms  
Term of Restriction: 55 years

Finance Team:

Lender:	Citibank, N.A.
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Paul Hastings, LLP
Lender's Tax Counsel:	Eichner & Norris, PLLC
Borrower Counsel:	Gubb & Barshay LLP
Financial Advisor:	Community Economics

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$11,000,000 for Woodlands Newell Apartments affordable housing project located in the City of East Palo Alto, San Mateo County, California.