



BTL MACHINE SUMMARY AND RECOMMENDATIONS

Applicant: BTL Machine

Action: Initial Resolution

Amount: \$6,000,000 (not to exceed)

Purpose: Finance an Industrial Project for BTL Machine Located In the City of Corona, County of Riverside, CA.

Activity: Manufacturing

Meeting: July 16, 2010

Background:

BTL Machine was established by the Vo family in 1991. Initially BTL served the international bicycle industry. Through hard work and teamwork, BTL's reputation for excellence in quality, delivery, and service spread throughout the machining industry. Today, BTL has grown to be a fully equipped, technologically advanced manufacturing corporation serving the highly demanding aerospace industry.

BTL Machine is a structural aerospace supplier, with a 79,500 sq foot facility and 90 employees running two shifts. Our core competencies include 3, 4, and 5 Axis high speed milling and CNC turning, Hinge Specialty, 5 Axis Gantry, 3D programming, Complex Structural Assemblies and Project Management. We are located in the heart of the Southern California manufacturing district. Our core products are complex airframe structures, landing gear components, wing skins and spar caps, cargo handling systems and specialty hinge manufacturing. BTL manufactures products from forgings, castings, and plate stock consisting of aluminum, stainless steel, and titanium.

BTL Machine continues to invest in the latest technology and highly qualified personnel while maintaining a strong focus on innovation and cost effective manufacturing solutions. We are committed to quality, delivery, and complete customer satisfaction with every shipment.

The Project:

BTL Machine has decided to increase the amount they are borrowing from \$4,000,000.00 to under \$6,000,000. With the supplemental capital additional overhead cranes will be purchased.

The proposed bond financing will help BTL Machine finance the new gantry and overhead crane for their facility in Corona, CA. With this bond financing the BTL Machine will be able to continue to manufacture in complex CNC machining of Airframe Structural Components for commercial and military applications.

City of Corona:

The City of Corona is a member of the CMFA and held a TEFRA hearing on June 15th and will hold an additional hearing for the increased bond amount on July 21. The City of Corona is expected to receive approximately \$3,750 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	<u>\$6,000,000</u>
Total Sources:	\$6,000,000

Uses of Funds:

New Machinery & Equipment:	\$5,800,000
Costs of Issuance:	<u>\$ 200,000</u>
Total Uses:	\$6,000,000

Terms of Transaction:

Amount:	\$6,000,000 (not to exceed)
Rate:	Fixed Rate
Collateral:	Equipment
Maturity:	2017
Bond Purchasers:	Private Placement
Estimated Closing:	August 2010

Public Benefit:

This transaction will create approximately 10 new full-time jobs in addition to retaining their current 100 full-time employees. Furthermore, the City of Corona 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:	The Law Offices of Ron Lee/ Jones Hall
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	TBD

Recommendation:

It is recommended that the CMFA Board of Directors adopt an Initial Resolution in the amount of \$6,000,000 to finance a project for BTL Machine located in the City of Corona, County of Riverside, California.

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



THE CROSSROADS SCHOOL FOR ARTS AND SCIENCES SUMMARY AND RECOMMENDATIONS

Applicant: Crossroads School for Arts and Sciences

Action: Final Resolution

Amount: \$14,000,000

Purpose: Finance and Refinance the Construction, Improvement, Renovation and Equipping of Educational Facilities Located in the City of Santa Monica, California

Activity: Educational

Meeting: July 16, 2010

Background:

The Crossroads School for Arts and Sciences is an educational organization described in Section 501c3 of the Internal Revenue Code. The school serves grades K-12 and is founded upon five basic commitments: academic excellence; the arts; the greater community; the development of a student population of social, economic ,and racial diversity; and the development of each students physical well being and full human potential.

Service to the greater community manifests itself at each division of the school in a way that is developmentally appropriate for the age and stage of an elementary, middle and or upper school student. While each individual relationship with community service may vary, we believe community service activities provide students with an invaluable opportunity to see themselves in the larger context of the greater community which they live and to experience the benefit and fulfillment of that connection.

The Project:

The proceeds of the Series 2010 Bonds will be used by The Crossroads School for Arts and Sciences to (1) pay the costs of the Projects, (2) refund the Refunded Bonds, and (3) pay Cost of Issuance.

The bonds for The Crossroads School for Arts and Sciences will help pay for the following buildings:

The below building currently has 91 employees and will help create/retain 54 full time jobs
1715 Olympic Blvd., Santa Monica, CA 90404

The below building currently has 54 employees and will help create/retain 43 full time jobs
1722-1726 21st Street, Santa Monica, CA 90404

The below building currently has 0 employees and will help create/retain 12 full time jobs
1753 21st Street, Santa Monica, CA 90404

The below building currently has 19 employees and will help create/retain 9 full time jobs
1734 21st Street, Santa Monica, CA 90404

The Crossroads School for Arts and Sciences will refund approximately \$6,500,000 of bonds previously issued by California Statewide Communities Development Authority.

The remaining amount of the bonds will help pay for the Cost of Issuance.

The City of Santa Monica:

The City of Santa Monica will need to become a member of the CMFA and hold a TEFRA hearing. The City of Santa Monica will receive approximately \$8,000 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds	\$ 14,000,000
Total Sources:	\$ 14,000,000

Uses of Funds:

Building Acquisition:	\$ 7,300,000
Refunding:	\$ 6,500,000
Cost of Issuance:	\$ 200,000
Total Uses:	\$ 14,000,000

Terms of Transaction:

Amount:	\$14,000,000
Rate:	Multimodal
Maturity:	2040
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Estimated Closing:	August 2010

Public Benefit:

Each division of the Crossroads School for Arts and Sciences tries to serve the greater community by manifesting itself in a way that is developmentally appropriate for the age and stage of an elementary, middle and or upper school student. With the completion of the facilities, they believe that community service activities provide students with an invaluable opportunity to see themselves in the larger context of the greater community, which they live and to experience the benefit and fulfillment of that connection.

Finance Team:

Underwriter:	U.S. Bank National Association
Underwriter Advisor:	The Whitman Group LLC
Underwriter Counsel:	Procopio, Cory, Hargreaves & Savitch LLP
Bond Counsel:	Gillmore & Bell
Borrower Counsel:	Glaser, Weil, Fink, Jacobs, Howard & Shapiro, LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
LOC Bank:	U.S. Bank National Association

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$14,000,000 of tax-exempt revenue bonds to finance and refinance the construction, improvement, renovation and equipping of educational facilities located in the City of Santa Monica, California.



PASEO SANTA BARBARA PHASE I SUMMARY AND RECOMMENDATIONS

Applicant:	Cabrillo Economic Development Corporation
Action:	Final Resolution
Amount:	\$15,058,000
Purpose:	Finance Affordable Rental Housing Facility Located in the City of Santa Paula, Ventura County, California
Activity:	Affordable Housing
Meeting:	May 21, 2010

Background¹:

This is our Fourth transaction with Cabrillo Economic Development Corporation (“CEDC”). CEDC has progressed from a grower-owned labor camp to a countywide housing and economic development corporation serving diverse socio-economic populations.

In 1975, farm worker families living in substandard housing conditions in Cabrillo Village (Saticoy, CA) received eviction notices from the labor camp’s grower-owners. Resisting the razing of their homes, 80 farm worker families raised money to purchase the land, started the Cabrillo Improvement Association (CIA), and became the land’s legal owners on Cinco de Mayo 1976.

Over the next five years, the CIA rehabbed 80 homes, developed two new housing complexes totaling 79 units, started three new business ventures to expand the neighborhood’s economic base, and provided social services to farm worker families. In 1981, in a decision to expand past its original borders, a countywide community development corporation was formed that became CEDC.

Since these humble beginnings, CEDC has built more than 1,000 units of affordable for-sale and multi-family rental housing, manages 440 affordable rental units, and has counseled more than 1,800 households preparing to purchase a home. In addition, CEDC has helped 275 families into homeownership through education, counseling, and lending services.

CEDC is now the leading non-profit affordable housing producer in Ventura County.

¹ Source: <http://www.cabrilloedc.org/about.html>

The Project:

Paseo Santa Barbara will be the first project of two phases in a new construction development in the city of Santa Paula. This project will house 74 low-income families that desperately need a place to live that is close to their work. The development will be spaced out over 6.8 acres. This space will leave plenty of open areas for children and picnic spots. There will be 12 buildings on this property. There will be a community center, property management offices and park that are centrally located on the premises. The apartment buildings will then surround these buildings.

The project will include the following amenities; A community center, which will house a large meeting room, a computer room, lunch room and offices. There will be after school youth programs, tutoring, junior achievement, leadership training and, a neighborhood watch programs. CEDC is also partnering up with the Boys and Girls Club, Santa Paula Family Resources Center, and Santa Paula Community Service Academy.

City of Santa Paula:

The City of Santa Paula is a member of the CMFA and held a TEFRA hearing on June 29, 2009. Upon closing the city is expected to receive approximately \$9,411 as part of CMFA's sharing of Issuance Fees.

Project Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$15,058,000	\$ 3,648,000
Developer Equity:	\$ 100	\$ 100
Deferred Developer Fee:	\$ 1,863,760	\$ 1,863,760
LIH Tax Credit Equity:	\$ 2,223,000	\$ 6,352,000
Direct & Indirect Public Funds:	\$ 8,187,870	\$16,159,266
GP Loan (NWA Funds):	\$ 540,000	\$ 540,000
Deferred Costs:	<u>\$ 690,396</u>	<u>\$ 0</u>
Total Sources:	\$28,563,126	\$28,563,126

Uses of Funds:	
Land Purchase:	\$ 4,276,000
On & Off Site Costs:	\$ 200,000
Hard Construction Costs:	\$10,655,479
Architect & Engineering Fees:	\$ 1,312,733
Contractor Overhead & Profit:	\$ 1,504,521
Developer Fee:	\$ 2,500,000
Cost of Issuance:	\$ 270,370
Other Soft Costs:	<u>\$ 7,844,023</u>
Total Uses:	\$28,563,126

Terms of Transaction:

Amount:	\$15,058,000
Maturity:	30 years.
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	June 2010

Public Benefit:

The project will make it possible for 74 families whose incomes are very low to live in adequately sized, decent, safe, sanitary, and affordable housing. CEDC plans to provide a variety of social services, including after school youth programs, tutoring, junior achievement, leadership training and, a neighborhood watch programs. CEDC is also partnering up with the Boys and Girls Club, Santa Paula Family Resources Center, and Santa Paula Community Service Academy.

Site amenities will include a community room with a learning center, play areas for tots and small children, and sport outlets for older children. Unit amenities include washer/dryer, refrigerator, range, garbage disposal, central heating/air conditioning.

Percent of Restricted Rental Units in the Project: 100%
62% (45 Units) restricted to 50% or less of area median income households; and
38% (28 Units) restricted to 60% or less of area median income households
Unit Mix: 1, 2 & 3 bedrooms
Term of Restriction: 55 years

Finance Team:

Lender:	Citibank
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Bond Counsel:	Quint & Thimmig LLP
Borrower Counsel:	Goldfarb & Lipman LLP
Borrower Consultant:	California Housing Partnership Corporation

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution of \$15,058,000 for the affordable multi-family rental housing facility located in the City of Santa Paula, Ventura County, California.



MARIANI PACKING COMPANY SUMMARY AND RECOMMENDATIONS

Applicant: Mariani Packing Company

Action: Final Resolution

Amount: \$6,250,000

Purpose: Issuance of Additional Revenue Bonds to Finance a Portion of the Costs of Recovery Zone Property Located In the City of Vacaville, County of Solano, CA.

Activity: Manufacturing

Meeting: July 16, 2010

Background:

Paul Mariani, the immigrant son of a European farmer, arrived in 1906 in the lush Santa Clara Valley. He planted fruit trees on four acres and within a few years and after working hard and surviving a few setbacks, began to prosper. Over the years he expanded his acreage, opened new markets and developed a keen understanding for prime fruit growing areas both locally and around the world.

His Son Paul Jr. inherited the farms and introduced ready to eat dried fruit sold in visible packages. This allowed consumers to see the quality of dried fruit. Recent innovations include resealable and gusseted pouches which allowed the fruit to stay fresh longer and store easier on shelves.

The Farm is now a state of the art facility with food technologists and lab technicians continuously maintain stringent quality control methods to ensure consistent quality.

The Project:

The Borrower previously filed an application requesting that the Authority issue and sell a revenue bond in the principal amount of \$2,925,000. This bond issued on December 4, 2009 financed a portion of recovery zone property.

The Borrower has decided that in order to achieve its financing goals that it will borrow an additional \$6,250,000. The proposed bond financing will help the Mariani Packing Company purchase new equipment that will add another product line. This financing will help diversify their product lines. With the bond financing the Mariani Company will be able to maintain its high standards as an industry leader in quality and innovation.

County of Solano:

The County of Solano is a member of the CMFA and will hold a TEFRA hearing on July 27, 2010. The County of Solano is expected to receive approximately \$3,906 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	<u>\$6,250,000</u>
Total Sources:	\$6,250,000

Uses of Funds:

Used Equipment Purchase & Installation:	\$6,050,000
Cost of Issuance (including discount):	<u>\$ 200,000</u>
Total Uses:	\$6,250,000

Terms of Transaction:

Amount:	\$6,250,000
Rate:	TBD
Collateral:	Deed of Trust on property and equipment.
Maturity:	2019
Bond Purchasers:	Private Placement
Estimated Closing:	July, 2010

Public Benefit:

Job Creation: Total number of new jobs to be created and jobs to be retained within two years of project completion:

Management -	2
Skilled/Semi-Skilled -	6

Unskilled -	<u>3</u>
Total -	11

Furthermore, the County of Solano 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:	Law Offices of Ron Lee/ Jones Hall
Special tax Counsel:	McGuire Woods LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Downey Brand LLP

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution in the amount of \$6,250,000 of Tax-Exempt Recovery Zone Facility Bonds for Mariani Packing Company located in the City of Vacaville, County of Solano, California.



FOSTER'S DAIRY FARM SUMMARY AND RECOMMENDATIONS

Applicant:	Foster's Dairy Farm
Action:	Final Resolution
Amount:	\$5,200,000
Purpose:	Finance a Portion of the Costs of Recovery Zone Property for Foster's Dairy Farm Located in the City of Modesto, County of Stanislaus, CA.
Activity:	Manufacturing
Meeting:	July 16, 2010

Background:

In 1939 and Max and Verda Foster took a chance in pursuit of a dream. Borrowing \$1,000 on a life insurance policy, the couple placed a down payment on a small abandoned 80-acre farm south of Modesto in California's San Joaquin Valley. The operation, which began with a few chickens and turkeys, quickly expanded. In 1941, the Fosters added an all-Jersey cow dairy and distributed fresh milk in chilled glass bottles to the front doors of local Modesto residents.

Over the years, the couple's business experienced phenomenal growth, with production and distribution increasing tenfold. In 1954, the Fosters added a modern creamery to their operation and in the 1960s, they opened a cultured products plant in an effort to produce a more diverse product line including cottage cheese, sour cream, yogurt, ice cream and butter. Max continued to concentrate on the Foster Farms Dairy operation while Paul, one of his sons, focused on the poultry business.

Fosters Dairy Farms split from the original company and now focus's primary on its Dairy production. The companies consider each other sister companies and continue to share ideas to help produce a more efficient cost effective product.

The Project:

The proposed bond financing will help Foster Dairy Farms construct a solar photovoltaic roof on their parking structure. These new roof well help *Green* the farm and help produce energy used to in the dairy production of the farm. This financing is anticipated to be the second Tax-Exempt Recovery Zone Facility Bond that the CMFA will issue.

City of Modesto:

The City of Modesto is a member of the CMFA and held a TEFRA hearing on May 25, 2010. The City of Modesto is expected to receive approximately \$3,250.00 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Recovery-Zone Facility Bond Proceeds:	<u>\$5,200,000</u>
Total Sources:	\$5,200,000

Uses of Funds:

Equipment:	<u>\$5,200,000</u>
Total Uses:	\$5,200,000

Terms of Transaction:

Amount:	\$5,200,000
Collateral:	Deed of Trust on property and equipment.
Maturity:	2020
Bond Purchasers:	Private Placement
Estimated Closing:	August 2010

Public Benefit:

With this Bond financing the Foster Dairy Farms will be able to help lower its carbon footprint as well as create cheap energy that will power the farm.

Finance Team:

Underwriter:	GE Government Finance Inc.
Underwriter Counsel:	Kutak Rock LLP
Bond Counsel:	The Law Offices of Ron Lee
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	TBD

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution in the amount of \$5,200,000 of Tax-Exempt Recovery Zone Facility Bonds to finance and refinance the acquisition, construction, improvement and equipping of a facility located in the City of Modesto, County of Stanislaus, California.



EISENHOWER MEDICAL CENTER SUMMARY AND RECOMMENDATIONS

Applicant: Eisenhower Medical Center

Action: Final Resolution

Amount: \$125,000,000

Purpose: Finance and Refinance the Construction, Improvement, Renovation and Equipping of Certain Health Care Facilities located in Riverside County, California

Activity: Health Care Facilities

Meeting: July 16, 2010

Background:

Eisenhower Medical Center (“EMC”) is a California nonprofit public benefit corporation exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in Section 501(c)(3) of the Code. EMC is headquartered in the City of Rancho Mirage in the Coachella Valley of Southern California, and provides comprehensive healthcare services through its 313-bed acute care hospital (with approval to expand to 542 licensed beds effective June 29, 2010), clinics, outpatient and professional buildings on its 130-acre main campus. EMC also provides health services through its network of urgent care centers and outpatient clinics in the neighboring cities of La Quinta, Indian Wells, Palm Desert and Cathedral City, through its new George and Julia Argyros Health Center (“Argyros Center”) in La Quinta and through its affiliates, including Eisenhower Properties LLC, the Annenberg Center for Health Sciences, the Barbara Sinatra Children’s Center and the Betty Ford Center. EMC is the sole corporate member of Eisenhower Health Services (“EHS”), a nonprofit public benefit corporation formed as a purchasing organization for EMC. EMC and EHS are referred to herein collectively as the “Obligated Group” or “Members” of the Obligated Group, and each individually is sometimes referred to herein as a “Member.” EMC is also affiliated with the Annenberg Center for Health Sciences, the Barbara Sinatra Children’s Center, the Betty Ford Center and Eisenhower Properties, LLC. None of the Affiliates is a Member of the Obligated Group.

The Project:

The proceeds of the bonds will be used to finance and refinance the construction, improvement, renovation and equipping of certain health care facilities that are owned and operated by EMC and located (a) on the main hospital campus of the Borrower, on which is situated a 313-bed acute care hospital, at 39000 Bob Hope Drive, Rancho Mirage, California 92270, including, but not limited to, the Walter and Leonore Annenberg Pavilion, a 248-bed addition to the acute care hospital, and (b) at the Eisenhower George and Julia Argyros Health Center, a 93,000 square foot outpatient care, imaging/laboratory, wellness and physician office center located at 45280 Seeley Drive, La Quinta, California 92253.

The County of Riverside:

The County of Riverside is a member of the CMFA and is expected to hold a TEFRA hearing July 27, 2010. The County is expected to receive approximately \$21,667 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	<u>\$102,000,000</u>
Total Sources:	<u>\$102,000,000</u>

Uses of Funds:

Targeted Projects Costs from below projects:	\$100,000,000
(Argyros Center Project)	\$29,000,000
(Reimbursement of Prior Capital Expenditures)	\$46,295,000
(EMC Additional Project Costs)	\$37,000,000
Costs of Issuance:	<u>\$ 2,000,000</u>
Total Uses:	<u>\$102,000,000</u>

Terms of Transaction:

Amount:	\$125,000,000
Rate:	Fixed rate
Maturity:	2040
Collateral:	Gross Revenue Pledge
Bond Purchasers:	Institutional & Retail
Expected Rating:	A- or BBB+
Estimated Closing:	August, 2010

Public Benefit:

EMC and its investments in the Projects provide significant benefits to the public which EMC serves, including the following, among others:

- As a California nonprofit benefit corporation, Eisenhower's mission is to serve the changing healthcare needs of its patient service area by providing excellence in patient care with supportive education and research. The Projects financed from the Series 2010 Bond proceeds help enable EMC to continue to provide the most state-of-the-art, comprehensive facilities, equipment and services to better serve the area's patient population and public benefit;
- The estimated economic value of community benefits provided by EMC in fiscal year 2009 was estimated to be over \$71 million. This figure includes unreimbursed costs in Medicare, Medi-Cal, Charity Care, and other services for vulnerable populations, other services for the broader community and health research, education and training programs;
- EMC's opening of the Argyros Health Center in La Quinta, CA now enables EMC to better serve the patient population of Eastern Coachella Valley;
- EMC's capital investments on its main hospital campus, including Annenberg Pavilion, Renker Pavilion and Tenny Emergency Department has increased EMC's capacity to serve community healthcare needs, while its conversion of beds to Gero-psychiatric usage represents a new service that EMC will be able to offer in its Coachella Valley market area;
- EMC's investments to open new primary care and urgent care clinics benefit the public by making healthcare services more conveniently available; As a part of its growth strategy to open primary care and urgent care clinics, EMC assists to recruit new physicians to the area;
- EMC's new graduate medical education program also benefits the public by enhancing the quality of care and attracting physicians and medical residents to the Valley.
- EMC is one of the largest employers in Riverside County, with approximately 2,500 employees. To staff its expanded facilities and growth programs, EMC had added more than 250 FTE employees in the past year and budgets adding an additional 200 in its FY ending 6/30/11.
- EMC large investment and construction projects have also added significantly to the local economy and jobs creation/retention in construction and multiple other support services.

Finance Team:

Underwriters:	Bank of America Merrill Lynch, Morgan Stanley
Underwriters Counsel:	Squire, Sanders & Dempsey LLP
Bond Counsel:	Sidley Austin LLP
Borrower Counsel:	Fulbright & Jaworski L.L.P.
Financial Advisor:	Shattuck Hammond Partners, a division of Morgan Keegan and Company, Inc.
Issuer Counsel:	Stradling Yocca Carlson & Rauth
Rating agency:	Moody's Investors Service, Fitch Ratings
Trustee:	Wells Fargo Bank, N.A.

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution in the amount of \$125,000,000 of revenue bonds to finance and refinance the construction, improvement, renovation and equipping of certain health care facilities of Eisenhower Medical Center located in the County of Riverside, California.



DIOCESE OF SAN JOSE SUMMARY AND RECOMMENDATIONS

Applicant: Diocese of San Jose

Action: Final Resolution

Amount: \$15,000,000

Purpose: Finance and/or Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Facilities for the Roman Catholic Bishop of San Jose located in the City of San Jose, County of Santa Clara, California

Activity: Educational Facilities

Meeting: July 16, 2010

Background:

The Diocese of San Jose is coterminous with the boundaries of Santa Clara County which includes 15 cities/townships and some unincorporated areas under county jurisdiction. The Diocese of San Jose belongs to the Ecclesiastical Province of San Francisco, consisting of the Archdiocese of San Francisco and the Dioceses of Honolulu, Las Vegas, Oakland, Reno, Sacramento, Salt Lake City, San Jose, Santa Rosa, and Stockton.

Beginning with the famous California missions, more than two centuries of Catholic life prepared Santa Clara County for its own diocese. Blessed Junipero Serra founded the first of California's historic Franciscan missions, San Diego de Alcalá, in 1769. In 1777, the Franciscan Fathers founded Mission Santa Clara de Asís, which later became Saint Clare Parish. Before his death at San Carlos Borromeo Mission, Carmel, in 1784, Father Serra established eight more missions and laid the groundwork for the whole chain of 21 missions. Upper California was part of the Diocese of Sonora, Mexico, during the early days and, after 1840, it was under Bishop Francisco García Diego, the first bishop of Alta and Baja (Upper and Lower) California. Spanish Dominican Joseph Sadoc Alemany, OP, was bishop of Monterey when it was established in 1850, then became Archbishop of San Francisco when it was created in 1853. At that time dioceses were not divided along county lines; Gilroy and Morgan Hill remained part of the Diocese of Monterey-Los Angeles. In 1922 Rome accepted county lines as diocesan boundaries, and Gilroy and Morgan Hill became part of the Archdiocese of San Francisco. When the dioceses of Oakland, Santa Rosa and Stockton were divided from the Archdiocese of San Francisco in 1962, Santa Clara County remained part of the Archdiocese of San Francisco. Archbishop John R. Quinn

implemented the final plans for the erection of the new Diocese of San Jose and Santa Clara County was established as the Diocese of San Jose by Pope John Paul II on January 27, 1981.

The Project:

In December of 1999, the Diocese of San Jose issued taxable bonds to finance the construction of the Holy Spirit Elementary School, to pay for earthquake retrofit improvements at various parish and school facilities, for general corporate purposes and to pay the costs of issuance of the taxable bonds.

In 2005, the current taxable bond issue helped to refinance the 1999 bonds and finance the purchase of a two story office building located at 1150 N. First Street, San Jose, California. The site area is approximately 2.27 acres and the building is approximately 37,000 gross square feet with approximately 34,000 of rentable square feet. The Diocese utilizes the building for administrative offices or other office uses.

The proceeds from the proposed 2010 tax-exempt bonds will be used to refund approximately \$15,000,000 of the outstanding principal balance on the 2005 bonds.

\$8,905,000 of the taxable bonds will be reoffered with a new letter of credit, this will replace an old letter of credit. This portion of the transaction is coinciding with the CMFA's issuance but not associated with the \$15,000,000.

The County of Santa Clara:

The County of Santa Clara is a member of the CMFA and held a TEFRA hearing on August 25, 2009. The County of Santa Clara will receive approximately \$7,500 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds (CMFA):`	\$ 15,000,000
Tax-Exempt Bond Proceeds (Previous Issue):	\$ 8,905,000
Total Sources:	\$ 23,905,000

Uses of Funds:

Refinancing Of Outstanding Bonds:	\$ 11,650,000
Funding Educational Facilities:	\$ 3,350,000
Letter of Credit, Remarketing Replacement & COI:	\$ 8,905,000
Total Uses:	\$ 23,905,000

Terms of Transaction:

Amount:	\$15,000,000
Rate:	Multimodal
Maturity:	2035
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)

Estimated Closing: August 2010

Public Benefit:

With this financing the Dioceses will be able to ease the burden of financial restraints with improved rates on their bonds. This in turn will free up money that they can continue to allocate towards education and support of the surrounding community.

Finance Team:

Lender :	Wells Fargo Bank Securities
Lender Counsel:	Chapman and Cutler LLP
Bond Counsel:	Squire Sanders & Dempsey LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Ferrari & Ottoboni, LLP
Trustee:	Wells Fargo Bank, N.A.

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$15,000,000 of tax-exempt revenue bonds to finance and/or refinance the acquisition, construction, improvement, renovation and equipping of facilities for the Roman Catholic Bishop of San Jose located in the City of San Jose, County of Santa Clara, California.



CARITAS CORPORATION SUMMARY AND RECOMMENDATIONS

Applicant: Caritas Affordable Housing Inc.

Action: Final Resolution

Amount: \$50,000,000

Purpose: Finance and Refinance the Acquisition of Four Mobile Home Parks Located in the City of Garden Grove, County of Orange, the City of Palmdale, County of Los Angeles and the city of Yucaipa, County of San Bernardino, California

Activity: Affordable Housing (Mobile Home Park)

Meeting: July 16, 2010

Background:

Two borrowers will participate in this financing: Caritas Corporation and Caritas Acquisition I, LLC. The Caritas Corporation was established on September 16, 1996 and is a California non-profit public benefit corporation and the Caritas Acquisition I, LLC is a California limited liability company, the sole member of which is the Caritas Corporation. Together the borrowers own four mobile home parks, with an aggregate 2,094 spaces, located throughout California. Their goal is to own and operate affordable housing projects (mobile home parks) that help lessen the burden of local government by providing and maintain affordable housing for persons of low income and means.

The Project:

The proposed bond financing will: (i) fund the acquisition costs of three mobile home parks; (ii) current refund an outstanding series of bonds; (iii) fund a debt service reserve fund; and (iv) pay costs of issuance.

A portion of the proceeds will finance the acquisition of mobile home parks in Garden Grove (two parks) and Palmdale (one park) for the Caritas Acquisition I, LLC. The Garden Grove parks, Bahia Trailer Villa and Emerald Isle, are being acquired from the City of Garden Grove and on a

combined basis consist of 253 spaces. The Palmdale Park, Mountain View Estates, is being acquired from a private party and consists of 298 spaces.

The Caritas Corporation refunding involves a single park in the City of Yucaipa, named Eldorado Palms that consists of 217 spaces. All four parks are essentially 100% occupied.

The park locations are as follows:

13096 Blackbird Street
Garden Grove, CA 92843

13741 Clinton Street
Garden Grove, CA 93550

3255 East Avenue R.
Palmdale, CA 93550

35218 Fir Street
Yucaipa, CA 92399

Cities of Palmdale and Garden Grove and County of San Bernardino:

The County of San Bernardino will hold a TEFRA hearing on July 27, 2010 and The City of Palmdale held a TEFRA on April 7, 2010 and the Garden Grove held a TEFRA hearing on June 22, 2010. Upon closing, the cities and county are expected to share approximately \$21,864 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$48,920,000
Equity Contribution:	\$ 550,000
Prior DSRF:	<u>\$ 495,560</u>
Total Sources:	\$49,965,560

Uses of Funds:

Park Acquisition Costs:	\$38,574,600
Refunding Escrow Deposit:	\$ 5,850,000
Debt Service Reserve Fund:	\$ 3,991,564
Cost of Issuance:	\$ 989,396
Reserve & Replacement Fund:	<u>\$ 560,000</u>
Total Uses:	\$49,965,560

Terms of Transaction:

Amount:	\$50,000,000
Rate:	Fixed
Maturity:	2050
Collateral:	Deed of Trust on property.
Bond Purchasers:	Public Offering
Estimated Closing:	August 2010
Expected Rating:	BBB-

Public Benefit:

Financing allows the residents to maintain affordable rents. The areas where the mobile homes are located are in need of affordable housing.

Mountain View Estates:

Percent of Restricted Rental Pads in the Project: 20%
20% (298 spaces) restricted to 50% or less of area median income household

Eldorado Palms Mobile Home Estates:

Percent of Restricted Rental Pads in the Project: 20%
20% (214 spaces) restricted to 50% or less of area median income household

Bahia Trailer Villa:

Percent of Restricted Rental Pads in the Project: 20%
20% (168 spaces) restricted to 50% or less of area median income household

Emerald Isle:

Percent of Restricted Rental Pads in the Project: 20%
20% (85 spaces) restricted to 50% or less of area median income household

Finance Team:

Lender:	Wedbush Securities
Bond Counsel:	Squire, Sanders & Dempsey LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Lender Counsel:	Quint & Thimmig
Borrower Counsel:	Corbett, Steelman & Specter
Financial Advisor:	Sperry Capital Inc.
Trustee 2010:	Wells Fargo Bank, N.A.
Rating Agency:	Standard & Poor's

Recommendation:

It is recommended that the CMFA Board of Directors approve a Final Resolution of \$50,000,000 to finance and refinance the acquisition of four mobile home parks located in the City of Garden Grove, County of Orange, the City of Palmdale, County of Los Angeles and the City of Yucaipa, County of San Bernardino, California.