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## **PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CMFA, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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## **STANFORD AFFORDABLE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant: The Related Companies

Action: Initial Resolution

Amount: \$23,000,000 (Not to Exceed)

Purpose: Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of Palo Alto, Santa Clara County,  
California

Activity: Affordable Housing

Meeting: March 21, 2014

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### **Background:**

In 1972, Stephen Ross founded Related Companies, known then as Related Housing Companies. From the beginning, Mr. Ross understood that only an experienced, multi-skilled team of professionals could drive Related to become what it is today – a fully integrated, highly diversified industry leader with expertise in virtually every aspect of development, acquisitions, management, finance, marketing and sales.

Today, Related owns and operates a premier portfolio of high quality assets valued at over \$15 billion. Affordable housing laid the foundation of Related Companies and they continue to place a high priority on developing, acquiring and preserving housing for this sector. In fact, over 60% of the 40,000 residential apartment homes under their management are part of one or more affordable housing programs, and an additional 20% of these homes provide workforce housing.

To date, Related has developed or acquired over 23,000 affordable housing units with a total value of approximately \$3.5 billion. Currently, they have over 7,000 units under development or under contract throughout the country with a value in excess of \$1.5 billion. Their expansive portfolio of award-winning affordable and mixed-income developments demonstrates their continuing ability to create affordable housing opportunities in a variety of geographically, economically and socially diverse neighborhoods.

### The Project:

The Stanford Affordable Apartments is a new construction multifamily affordable housing project consisting of a four-story building with a approximately 7,300 square feet of mixed-use space. The planned project includes 70- residential units (one, two and three bedroom units) and will be restricted 30% to 60% of AMI. The project is located at 2450, 2470 and 2500 El Camino Real and is centrally located with ready access to a variety of bus and train lines. The project will offer a community room with a community kitchen, fitness center, laundry facility, and outdoor recreational area which will include barbeque area and bike storage. The financing of this project will result in the creation of 70 affordable apartments for the next 55 years.

### The City of Palo Alto:

The City of Palo Alto is a member of the CMFA and is scheduled to hold a TEFRA hearing on April 7, 2014. Upon closing, the City is expected to receive approximately \$13,000 as part of CMFA's sharing of Issuance Fees.

### Proposed Construction Financing:

#### Sources of Funds:

Tax-Exempt Bond:	\$ 21,000,000
Stanford Loan:	\$ 2,057,090
General Partner Equity:	\$ 1,000,000
Equity:	<u>\$ 12,123,745</u>
Total Sources:	\$ 36,180,835

#### Uses of Funds:

New Construction:	\$ 25,316,474
Architectural & Engineering:	\$ 1,991,500
Legal, Professional:	\$ 575,000
Impact and Permit Fees:	\$ 2,046,293
Other Financing Costs:	\$ 1,436,172
Other: \$	\$ 3,426,904
Developer Fee:	\$ 1,250,000
Cost of Issuance:	<u>\$ 138,493</u>
Total Uses:	\$ 36,180,835

### Terms of Transaction:

Amount:	\$23,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement
Estimated Closing:	August 2014

Public Benefit:

A total of 70 households will be able to enjoy high quality, independent, affordable housing in the City of Palo Alto. Amenities at the complex will include a common community kitchen, fitness center, and an outdoor recreation area. The complex will offer a service coordinator, health and wellness programs and adult education and skill building programs. The construction of this project will provide affordable living in the City of Palo Alto for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
100% (70 Units) restricted to 30%-60% of area median income households  
Unit Mix: 1, 2, & 3 bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Greenberg Traurig LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$23,000,000 for the Stanford Apartments affordable housing project located in the City of Palo Alto, Santa Clara County, California.

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



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## **STONEBRIDGE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant: EAH, Inc.

Action: Initial Resolution

Amount: \$10,000,000 (Not to Exceed)

Purpose: Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of St. Helena, Napa County, California

Activity: Affordable Housing

Meeting: March 21, 2014

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### Background:

EAH Housing ("EAH") is a nonprofit corporation founded with the belief that attractive affordable housing is the cornerstone to sustainable, living communities. Established in 1968, EAH has become one of the largest and most respected nonprofit housing development and management organizations in the western United States. With a staff of over 400, EAH develops low-income housing, manages 97 properties in California and Hawaii, and plays a leadership role in local, regional and national housing advocacy efforts.

Starting from grass-roots origins in response to the death of Dr. Martin Luther King Jr., EAH now serves over 20,000 seniors, families, students, people with disabilities, frail elderly and the formerly homeless. Combining award winning design, innovative on-site services and a commitment to people, EAH reflects the distinctive personality of each community.

EAH is dedicated to building communities that enhance the surrounding neighborhoods. The organization has developed 83 properties with an aggregate value of more than \$1 billion, and manages 9,100 units in 49 municipalities in California and Hawaii. EAH has received multiple national awards for property management, eleven design awards and numerous commendations from legislators on the federal, state and local levels.

This is the 8th project that the CMFA has participated in with EAH.

### The Project:

The Stonebridge Apartment project is an acquisition and rehabilitation of an 80-unit affordable multifamily rental housing facility located at 990 College Ave., St. Helena, California. The projects 80 units will consist of 8 one-bedroom, 36 two-bedroom, 28 three-bedroom and 8 four-bedroom units. The units will be restricted to households between 50-60% of AMI. The community building has a lounge, community kitchen, restrooms and a leasing office. The project will also provide a computer lab, two play structures, two basketball areas, community garden and a bbq area. There will be onsite resource coordinators to provide assistance for the computer lab, after school homework club and community organizing. The financing of this project will allow the continuation of 80 affordable apartments for the next 55 years.

### The City of St. Helena:

The City of St. Helena will need to become a member of the CMFA and hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$5,440 as part of CMFA's sharing of Issuance Fees.

### Proposed Construction Financing:

#### Sources of Funds:

Tax-Exempt Bond:	\$ 8,714,814
HCD:	\$ 7,021,117
City of St. Helena:	\$ 1,017,314
Equity:	<u>\$ 4,980,493</u>
Total Sources:	\$ 21,733,738

#### Uses of Funds:

Land Acquisition:	\$ 8,000,000
New Construction:	\$ 3,000,000
Repayment of Construction Loan:	\$ 7,061,668
Architectural & Engineering:	\$ 400,000
Legal, Professional & Reserves:	\$ 200,000
Financing & Soft Contingency:	\$ 186,741
Reserves & Relocation:	\$ 1,000,000
Developer Costs and Fee:	\$ 1,785,329
Cost of Issuance:	<u>\$ 100,000</u>
Total Uses:	\$ 21,733,738

### Terms of Transaction:

Amount:	\$10,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	September 2014

Public Benefit:

A total of 80 households will continue to be able to enjoy high quality, independent, affordable housing in the City of St. Helena. Amenities at the complex will include a common community kitchen, computer room, tot lot, basketball courts, gardens, bbq areas and community space. The construction of this project will now provide affordable living in the City of St. Helena for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
42% (34 Units) restricted to 50% of area median income households; and  
58% (46 Units) restricted to 60% of area median income households.  
Unit Mix: Studio & 1 bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	Silicon Valley Bank
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Sheppard Mullin Richter & Hampton LLP
Borrower Counsel:	Bocarsly Emden Cowan Esmail & Arndt LLP
Financial Advisor:	Community Economics

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$10,000,000 for the Stonebridge affordable housing project located in the City of St. Helena, Napa County, California.

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



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## **CERISE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant: Pacific West Communities, Inc.

Action: Amended & Restated Resolution

Amount: \$50,000,000 (Not to Exceed)

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

Activity: Affordable Housing

Meeting: March 21, 2014

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### Background:

Pacific West Communities, Inc. ("PWC") was formed as a real estate development and financing firm, specializing in the 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 6000 units of affordable housing.

This is the 4th project that the CMFA has participated in with Pacific West Communities.

### The Project:

The Cerise Apartment project is a new construction multi-family mixed use housing development located in the City of Hawthorne. The project will consist of 127 units of 2 story garden style apartment homes. The units will consist of one, two and three bedrooms; with one bath and a private patio/balcony. The scope of the work will include a community building, laundry rooms, leasing office, maintenance facilities, exercise rooms and a computer room. The project will be energy efficient by using Energy Star specifications. This financing will create 127 units of affordable housing for the City of Hawthorne for 55 years. There will also be a small retail commercial building constructed on the front of the property.



The City of Hawthorne:

The City of Hawthorne will need to become a member of the CMFA and hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$17,000 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 33,404,418
Tax-Exempt Bond:	\$ 14,000,000
Tax Credit Equity:	\$ 4,360,365
Deferred Costs:	\$ 937,043
Deferred Developer Fee:	<u>\$ 2,500,000</u>
Total Sources:	\$ 55,201,826

Uses of Funds:

Land Acquisition:	\$ 3,505,000
New Construction:	\$ 41,667,470
Construction Contingency:	\$ 1,800,000
Financing Costs:	\$ 1,221,926
Architecture & Engineering:	\$ 600,000
Other Soft Costs:	\$ 2,770,387
Developer Fee:	\$ 2,500,000
Soft Costs Contingency:	\$ 200,000
Reserves:	<u>\$ 937,043</u>
Total Uses:	\$ 55,201,826

Terms of Transaction:

Amount:	\$50,000,000 (Not to Exceed)
Maturity:	35 years
Collateral:	Deed of Trust on property.
Offering:	Private Placement.
Estimated Closing:	September 2014

Public Benefit:

A total of 127 families will now enjoy high quality, independent, affordable housing in the City of Hawthorne. 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 Hawthorne for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
40% (51 Units) restricted to 50% or less of area median income households; and  
60% (76 Units) restricted to 60% or less of area median income households.  
Unit Mix: One, two and three bedroom  
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Katten Muchin Rosenman LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Amended and Restated Resolution of \$50,000,000 for the Cerise affordable housing project located in the City of Hawthorne, Los Angeles County, California.

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



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## **WESTRIDGE AT HILLTOP APARTMENTS SUMMARY AND RECOMMENDATIONS**

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**Applicant:** Menlo Capital Group LLC

**Action:** Amended and Restated Resolution

**Amount:** \$50,000,000 (Not to Exceed)

**Purpose:** Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of Richmond, Contra Costa County,  
California

**Activity:** Affordable Housing

**Meeting:** March 21, 2014

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### Background:

Menlo Capital Group LLC is a private investment firm based in San Francisco and Los Angeles with investment platforms and operating companies in real estate, finance/banking, healthcare and alternative energy and manages assets across a variety of investment platforms and affiliate partnerships. The company manages propriety balance sheet capital, advises institutional capital organized as private equity funds, and is the manager of joint ventures with institutional capital partners for specific investment strategies. The company was founded in 1976 as a full service real estate development and investment firm and began its investment and operating activities outside of real estate in 2007.

Menlo has been an active investor and developer of real estate since 1976. Its real estate investment and operating units are organized through its affiliate Menlo Capital Management LLC. During its three decade tenure, Menlo and its affiliates have developed or acquired over 200 assets, representing in excess of 10 million square feet of commercial, residential, industrial, hospitality, retail, and mixed used projects all across the US.

Menlo has sponsored a variety of affiliate investment partnerships and joint ventures with institutional capital partners for the purposes of executing specific real estate investment programs primarily for the execution of acquisitions in the residential, hospitality, net lease and office sectors. Its affiliates include Hawkins Way Capital, a real estate opportunity fund that owns and manages over 2000 student housing beds nationally, Menlo Realty Income Acquisition Group LLC, a joint-venture partnership with the largest US net leased REIT, Realty Income

Corporation that owns over 1 million square feet of single tenant net leased assets in 21 states, and MK Menlo Acquisition Group LLC, a programmatic joint venture with a leading global private equity firm that manages in excess of \$8 billion in capital commitments. The joint venture owns and operates over 1 million square feet of pharmacy net leased assets nationally.

#### The Project:

The Westridge at Hilltop Apartments project is an acquisition rehabilitation project of a 401-unit affordable multifamily rental housing facility located at 2490 Lancaster Drive, Richmond, California. This apartment community is comprised of 13 one- and two-story buildings, which includes an onsite leasing office and fitness center, situated on 11 acres of beautifully landscaped apartment homes overlooking the San Pablo Bay. The project will include 180 studio units, 220 1-br units and 1 managers unit. The units will be restricted to households between 50-60% of AMI. The financing of this project will result in the continuation of 401 affordable apartments for the next 55 years.

#### The City of Richmond:

The City of Richmond is a member of the CMFA and held a TEFRA hearing on July 16, 2013. Upon closing, the City is expected to receive approximately \$16,666 as part of CMFA's sharing of Issuance Fees.

#### Proposed Construction Financing:

##### Sources of Funds:

Tax-Exempt Bond:	\$ 45,000,000
Deferred Developer Fee:	\$ 750,000
Developers Equity:	<u>\$ 17,100,000</u>
Total Sources:	\$ 62,850,000

##### Uses of Funds:

Land Acquisition:	\$ 4,000,000
Building Acquisition:	\$ 36,000,000
Rehabilitation:	\$ 18,208,000
New Machinery & Equipment:	\$ 100,000
Architectural & Engineering:	\$ 90,000
Legal & Professional:	\$ 180,000
Contingencies & Other Soft Costs	\$ 65,000
Construction Financing, Interest, Relocation:	\$ 1,204,000
Permanent Financing:	\$ 178,000
Developer Fee:	\$ 2,500,000
Cost of Issuance:	<u>\$ 325,000</u>
Total Uses:	\$ 62,850,000

Terms of Transaction:

Amount:	\$50,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2014

Public Benefit:

A total of 400 households will continue to be able to enjoy high quality, independent, affordable housing in the City of Richmond. Amenities at the complex will include a common community kitchen, computer room. The project will continue to provide affordable living in the City of Richmond for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
30% (120 Units) restricted to 50% of area median income households; and  
70% (280 Units) restricted to 60% of area median income households.  
Unit Mix: Studio & 1 bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	Goldman, Sachs & Co.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Hobson Bernardino & Davis LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Amended and Restated Resolution of \$50,000,000 for the Westridge at Hilltop Apartments affordable housing project located in the City of Richmond, Contra Costa 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:** Final Resolution

**Amount:** \$6,200,000

**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:** March 21, 2014

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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 target population for this development is large families and is restricted to households with 50-60% AMI. The units are arranged in a 10 building complex separated by green open spaces and connected by ground level walkways, large parks,

playgrounds, a computer lab and a community room. The scope of work will include replacement of siding, windows, stair railings and window trim, site lighting and upgrades to older furnaces and hot water heaters in order to improve energy performance. 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 became a member of the CMFA and held a TEFRA hearing on October 15, 2013. Upon closing, the City is expected to receive approximately \$3,875 as part of CMFA's sharing of Issuance Fees.

#### Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 6,200,000	\$ 1,757,700
Developer Equity:	\$ 0	\$ 32,914
LIH Tax Credit Equity:	\$ 600,000	\$ 4,071,064
Direct & Indirect Public Funds	\$ 1,810,000	\$ 1,810,000
Other (Project Reserves, Seller take-back):	<u>\$ 3,110,000</u>	<u>\$ 5,310,000</u>
Total Sources:	\$ 11,720,000	\$ 12,981,678

Uses of Funds:	
Acquisition/Land Purchase:	\$ 7,205,000
On & Off Site Costs:	\$ 228,990
Hard Construction Costs:	\$ 1,981,010
Architectural & Engineering:	\$ 181,500
Contractor Overhead & Profit:	\$ 390,000
Developer Fee:	\$ 1,420,568
Relocation:	\$ 10,000
Capitalized Interest:	\$ 131,123
Cost of Issuance:	\$ 287,316
Other Soft Costs (Marketing, etc.):	<u>\$ 1,146,171</u>
Total Uses:	\$ 12,981,678

#### Terms of Transaction:

Amount:	\$6,200,000
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, a computer lab, after-school, recreational, and educational programs for children and adults and a

bona fide service coordinator that will provide residents with information regarding community services, assist tenants in accessing services through referral and advocacy programs and will organize enrichment activities. 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%  
43% (15 Units) restricted to 50% or less of area median income households; and  
57% (20 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:	Wells Fargo Bank, N.A.
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Dentons
Borrower Counsel:	Gubb & Barshay LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$6,200,000 for the Main Street Park I Apartments affordable housing project located in the City of Half Moon Bay, San Mateo County, California.





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## **STRAWBERRY CREEK LODGE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Satellite Affordable Housing Associates
Action:	Final Resolution
Amount:	\$13,325,000
Purpose:	Finance a Senior Affordable Multi-Family Rental Housing Facility Located in the City of Berkeley, Alameda County, California
Activity:	Senior Affordable Housing
Meeting:	March 21, 2014

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### Background:

Satellite Affordable Housing Associates (“SAHA”) provides quality affordable homes and services that empower people and strengthen neighborhoods.

SAHA begins from the idea that every person deserves a home. Their work is inspired by a belief that quality homes and empowering services should be in reach for all of the Bay Area’s community members and that despite the many obstacles to providing housing for people with low-incomes and special needs, this goal is possible.

SAHA’s innovative properties provide more than 3,000 residents in seven counties in northern California with much-needed affordable housing and services. With a commitment to high-quality design and thoughtful, ongoing supportive services, they empower their residents to build better lives and create healthier, safer communities.

SAHA was created out of the strengths of two of the Bay Area’s leaders in providing affordable housing for low-income and special needs populations, Satellite Housing and Affordable Housing Associates. They want to advance the field of affordable housing, and guide their work in housing development, property management, and resident services by the following principles:

- They believe that every person deserves a home
- They commit to communities for the long term
- Their comprehensive housing services empower their residents to thrive

- High quality design inspires people and builds community
- Green building practices lead to a healthy, sustainable society
- Innovation and thoughtful risk-taking are part of how they pursue excellence
- Financial health and sustainability are essential to the endurance of their mission
- Diversity and inclusion are fundamental to their work

#### The Project:

The Strawberry Creek Lodge project is an acquisition/ rehabilitation of a 150-unit senior rental housing project, located at 1320 Addison Street, in the City of Berkeley, California. Strawberry Creek Lodge was originally developed in 1962 and holds a community of 150 senior households active in the Berkeley community. SAHA is partnering with Strawberry Creek Lodge Foundation to refinance and remodel the Lodge including seismic and building upgrades, common space upgrades, energy efficiency upgrades and ADA upgrades. SAHA will also provide property management services; instructor led educational, health and wellness services, as well as provides an on-site service coordinator. The rehabilitation of this project will provide affordability for another 55 years in the City of Berkeley.

#### The County of Alameda:

The County of Alameda is a member of the CMFA and held a TEFRA hearing on July 16, 2013. Upon closing, the County is expected to receive approximately \$8,328 as part of CMFA's sharing of Issuance Fees.

#### Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 13,325,000	\$ 3,914,357
Direct/Indirect Public Funds:	\$ 86,000	\$ 1,604,367
Deferred Developer Fee:	\$ 1,311,400	\$ 1,311,400
LIH Tax Credit Equity:	\$ 170,152	\$ 6,230,518
Project Reserves	\$ 576,881	\$ 576,881
Other (Seller Financing/Costs deferred to Perm):	\$ 7,440,359	\$ 9,272,269
Total Sources:	\$ 22,909,792	\$ 22,909,792

Uses of Funds:	
Acquisition/Land Purchase:	\$ 8,900,000
Total Hard Construction Costs:	\$ 5,896,380
Architectural & Engineering:	\$ 450,000
Contractor Overhead & Profit:	\$ 302,070
Developer Fee:	\$ 2,500,000
Relocation:	\$ 150,000
Cost of Issuance:	\$ 371,136
Capitalized Reserves:	\$ 614,024
Other Soft Costs (Marketing, etc.):	\$ 3,726,183
Total Uses:	\$ 22,909,793

Terms of Transaction:

Amount:	\$13,325,000
Maturity:	30 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	January 2014

Public Benefit:

A total of 119 senior households will continue to enjoy high quality, independent, affordable housing in the City of Berkeley. The seismic and energy efficiency upgrades will improve the resident's quality of life.

Percent of Restricted Rental Units in the Project: 80%  
61% (91 Units) restricted to 50% or less of area median income households; and  
19% (28 Units) restricted to 60% or less of area median income households  
Unit Mix: Studio and One bedroom  
Term of Restriction: 55 years

Finance Team:

Lender:	Bank of the West
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Rutan & Tucker, LLP
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 \$13,325,000 for the Strawberry Creek Lodge senior affordable housing project located in the City of Berkeley, Alameda County, California.

**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES**  
**CALIFORNIA FOUNDATION FOR PUBLIC FACILITIES**  
**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**AND CERTAIN AFFILIATES**

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**POLICY AND PROCEDURES FOR DEALING WITH  
CONFLICT OF INTEREST ISSUES**

**Article I**

**Purpose**

The purpose of this Policy and Procedures for Dealing with Conflict of Interest Issues (“Policy”) is to protect the interests of the California Foundation for Stronger Communities (the “CFSC”), the California Foundation for Public Facilities (the “FoundationCFPF”), the California Municipal Finance Authority (the “CMFA”) or and any Affiliates (defined in Section 1, below, and together with the CFSC, the CFPF and the CMFA, the “Covered Entities”) when it is considering a transaction or arrangement that might benefit the private interest of any director, officer, employee or consultant of ~~the Foundation or an Affiliate~~any Covered Entity. Foundation-Covered Entity Directors, officers, employees, attorneys and consultants all serve the charitable and educational mission of ~~the Foundations~~such Covered Entity.

Decisions about ~~Covered Entity Foundation~~Covered Entity Foundation operations and the use or disposition of ~~Covered Entity Foundation~~Covered Entity Foundation assets should be made, and should appear to be made, to further the mission of the ~~Covered Entity Foundation~~Covered Entity Foundation and not for private profit or other personal benefit to the individuals affiliated with ~~Covered Entity Foundation~~Covered Entity Foundation who take part in those decisions. Directors, officers, employees, attorneys and consultants all have an obligation to conduct the affairs of the ~~Covered Entity Foundation~~Covered Entity Foundation in a manner consistent with the ~~Covered Entity Foundation~~Covered Entity Foundation’s mission and to render advice and make decisions in the best interests of the ~~Covered Entity Foundation~~Covered Entity Foundation.

The Policy is intended to supplement but not replace any ~~applicable~~California laws governing conflicts of interest applicable to nonprofit and charitable corporations and governmental entities, respectively. The Policy shall be interpreted and, as necessary, modified, to comply with all applicable rules, regulations and laws.

**Article II**

**Definitions**

**1. Affiliate**

An “Affiliate” of a Covered Entity means (A) (i) any entity (whether governmental, for-profit or non-profit) in which the ~~Covered Entity Foundation~~Covered Entity Foundation owns or controls (directly or indirectly) a majority stock, partnership, or membership interest, (ii) and any entity in which a

minority interest is owned (directly or indirectly) by the Covered Entity Foundation if substantially all of the financial consideration for the transaction at issue is provided by the Covered Entity Foundation or (iii) any entity in which the Covered Entity directly or indirectly controls the appointment and removal of a majority of the seats on the governing board, and (B) the governing board of which has adopted this Policy by resolution. The Covered Entities Foundation and all Affiliates are, where appropriate in the context of the provision, hereinafter collectively referred to as the Covered Entities.

## 2. Interested Person

An “interested person” is any person or entity, including but not limited to a Foundation Covered Entity director, officer, employee or consultant, who has a direct or indirect Financial Interest or a direct or indirect Personal Interest, as defined below, or is or, at any time during the five year period immediately preceding the transaction or arrangement was, in a position to exercise substantial influence over the affairs of the Covered Entity Foundation. If a person is an interested person with respect to any Affiliate of a Covered Entity, he or she is an interested person with respect to the Covered Entity Foundation and each Affiliate thereof.

## 3. Disinterested Director

A “disinterested director” is any Covered Entity Foundation director who, for purposes of a particular transaction or arrangement, is not (a) an interested person, (b) related to an interested person or (c) controlled by an interested person. A director will not be a disinterested director if the director is a party to a reciprocal arrangement with ~~the~~ an interested person either formal or informal, written or unwritten, under which the interested person has approved or will approve a transaction or arrangement between the director and the Covered Entity Foundation or any other person or entity.

## 4. Financial Interest

A person has a “Financial Interest” if (1) he or she, (2) any member of his or her family (as defined below), or (3) an enterprise related (see definition of “related enterprise” below) to him or her or to a member of his or her family, directly or indirectly,

- a. is contemplating, is negotiating, or has entered into a transaction or other arrangement with the Covered Entity Foundation, or
- b. is contemplating acquiring, or has, an ownership or investment interest in any entity with which the Covered Entity Foundation has or is negotiating a transaction or arrangement, or
- c. is contemplating entering into, or has a compensation arrangement (whether as an employee, director, director, or independent contractor) with the Covered Entity Foundation or with any entity or individual with which the Covered Entity Foundation has or is negotiating a transaction or arrangement, or

- d. may receive a financial or other material benefit from knowledge of proprietary or other privileged or confidential information obtained by such person in the course of working for or with the Covered Entity~~Foundation~~, or
- e. is contemplating acquiring, or has an interest in an entity or enterprise which is in competition with an entity or enterprise that is seeking to enter, or has entered, into a transaction or arrangement with the Covered Entity~~Foundation~~—if that person’s relationship with the Covered Entity~~Foundation~~ provides him or her access to proprietary or other privileged or confidential information that could benefit the organization in which he or she has, or is contemplating acquiring, an interest.

\_\_\_\_\_ Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

\_\_\_\_\_ A ~~financial interest~~Financial Interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a Financial Interest~~financial interest~~ may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

## **5. Personal Interest**

A person has a “Personal Interest” in a transaction or arrangement if (1) he or she, (2) any member of his or her family (as defined below), or (3) an enterprise related (see definition of “related enterprise” below) to him or her or to a member of his or her family, directly or indirectly,

- a. has sought or received or will seek or receive recognition of any kind beyond any recognition of the Covered Entity for the transaction or arrangement,
- b. has sought or received or will seek or receive non-monetary benefits from the counterparty to the transaction or arrangement beyond the benefits available to the general public or local community, or
- c. has sought or received or will seek or receive non-monetary advantages as a result of the transaction or arrangement beyond the non-monetary advantages available to the general public or local community.

A Personal Interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a Personal Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

**56. Family**

The term “family” includes an individual’s spouse, parents, siblings, children, grandchildren, and any other person related to such individual by blood, marriage or adoption that resides in the same household as such individual.

**67. Related enterprise**

The term “related enterprise” (and reference to an enterprise related to a person) means any corporation, partnership, limited liability company, trust, unincorporated association, organization or other enterprise (of a business or charitable nature or otherwise) with respect to which a person (1) is a director, officer, member, partner, employee or consultant, or (2) is in a position to exert control or significant influence as a result of such person’s financial or other interest in such entity or enterprise.

**8. Transaction or arrangement**

The term “transaction or arrangement” means any transaction, arrangement or communication with or on behalf of a Covered Entity and includes, without implied limitation, any grant or donation by or from a Covered Entity and any communications with grant recipients of the Covered Entity, applicants for benefits or assistance from the Covered Entity, and current or prospective members or directors of the Covered Entity.

**Article III**

**Disclosure of Policy/Annual Statements**

**1. Disclosure of Policy**

Each Covered Entity Foundation director, officer, employee and consultant shall ~~annually~~ sign a statement that affirms that such person--

- a. has received a copy of the Policy,
- b. has read and understands the Policy,
- c. understands that these procedures apply to all committees and subcommittees with board-delegated powers,
- d. understands that, if applicable, the Covered Entity Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes,
- e. acknowledges that, in working with and for the Covered Entity Foundation, he or she has an obligation to conduct the affairs of the Covered Entity Foundation in a

manner consistent with the ~~Covered Entity~~Foundation's mission and to render advice and make decisions in the best interests of the ~~Covered Entity~~Foundation, and

- f. has agreed to comply with the Policy.

This Article shall not apply to employees ~~or contractors~~ whose responsibilities are determined by the Board of Directors to be solely administrative in nature.

#### Article IV

##### Procedures For Addressing Conflicts of Interest

###### 1. Duty to Disclose

- a. Each director, officer, employee and consultant shall ~~submit an annual statement~~disclose to the Board of Directors ~~disclosing~~any Financial Interest ~~or Personal Interest~~ with respect to any proposed or ongoing ~~Foundation-Covered Entity~~ transaction or arrangement, ~~either in an open session of a regular or special meeting of the Board of Directors, or in writing to the President or Chair of the Board of Directors.~~
- b. In addition, if any such director, officer, employee and consultant becomes aware of a potential Financial Interest ~~or Personal Interest~~ with respect to a proposed ~~Covered Entity Foundation~~ transaction or arrangement, he or she shall promptly notify the President ~~and/or the Chairman~~ of the Board of Directors of such potential Financial Interest ~~or Personal Interest~~.
- c. In connection with any actual or possible conflict of interest, an interested person must be given the opportunity to disclose all material facts to the Directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

###### 2. Determining Whether a Conflict of Interest Exists

- a. The Board of Directors shall review ~~such annual disclosure statements and any such reports made during the year~~any disclosures of Financial Interests and Personal Interests and make such further investigation as it deems desirable. The Board of Directors may designate other persons who are not interested persons to assist in such investigation.
- b. After disclosure of a potential Financial Interest ~~or Personal Interest~~ and all material facts, the interested person shall leave the board or committee meeting while the question of whether a conflict of interest exists is discussed and voted upon by the Disinterested Directors. The Disinterested Directors shall decide if a conflict of



interest exists. An interested person may make a presentation at the board or committee meeting but, after such presentation, must leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the potential conflict of interest.

- c. If a majority of the Board of Directors are interested persons with respect to a particular matter, then the disinterested Directors of the ~~Foundation-Covered Entity~~ shall appoint a special Conflict of Interest Committee of non-interested persons to review such matter. The Conflict of Interest Committee shall report directly to the disinterested Directors. Any matter that is referred to the Conflict of Interest Committee must be approved by a majority of the disinterested Directors before being entered into by the ~~Covered Entity~~~~Foundation~~.
- d. All statements and other information reported by interested persons relating to a conflict of interest shall be maintained on a confidential basis, subject to compliance with applicable law. The Board of Directors and/or Conflict of Interest Committee shall undertake its reviews to protect the interests of the ~~Covered Entity~~ ~~Foundation~~ and its Affiliates in accordance with applicable law.

### 3. Procedures for Addressing the Conflict of Interest

- a. If the Disinterested Directors or Conflict of Interest Committee determines that a conflict of interest exists, the Disinterested Directors or Conflict of Interest Committee shall determine by a majority vote whether
  - (i) the transaction or arrangement is in the ~~Covered Entity~~~~Foundation~~'s best interest and for its own benefit,
  - (ii) the transaction or arrangement is fair and reasonable from the perspective of the ~~Covered Entity~~~~Foundation~~, and
  - (iii) the ~~Covered Entity~~ ~~Foundation~~ is unable to obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances.

If the Disinterested Directors or Conflict of Interest Committee decides that any of the criteria set forth in items (i), (ii) and (iii) have not been satisfied, the ~~Covered Entity~~ ~~Foundation~~ will not enter into the transaction or arrangement.

If the Covered Entity has been legally committed to the transaction or arrangement prior to the disclosure of the Financial Interest or Personal Interest, the Disinterested Directors or Conflict of Interest Committee may take or recommend any action as it determines in its discretion, subject to applicable law and the governing documents of the Covered Entity.

- b. In determining whether a transaction or arrangement is fair and reasonable to the ~~Covered Entity~~Foundation, the Disinterested Directors or Conflict of Interest Committee shall obtain and review (where appropriate, taking into account the materiality of the transaction or arrangement) one or more (i) appraisals of the fair market value of the transaction or arrangement, (ii) offers from comparable competing entities, (iii) studies of compensation arrangements, or (iv) reports or studies from independent parties who have a demonstrated expertise in valuing or analyzing the fairness of such a transaction or arrangement.
- c. If the transaction involves the payment of compensation to an interested person, of an amount considered by the Disinterested Directors or Conflict of Interest Committee to be material, then the Directors or committee shall secure data regarding comparable third-party arrangements. Such comparables, to the extent possible, shall reflect compensation arrangements entered into by tax-exempt institutions of comparable size or revenue to the ~~Covered Entity~~Foundation. ~~To the extent the transaction involves an Affiliate, the comparable third-party data shall reflect compensation arrangements entered into by institutions that are comparable in size or revenue to the Affiliate.~~ The Directors or committee shall consider such comparable data when making its determinations under paragraph a. above. Further, if the proposed transaction involves the sale or acquisition of tangible property of a material value, the Committee may secure one or more appraisals of such property, as appropriate. The Committee shall consider any obtained appraisals when making the determination under paragraph a. above.
- d. In the discretion of the Disinterested Directors or Conflict of Interest Committee, the interested person may be present at board or committee meetings for the purpose of responding to inquiries by the board or committee members with respect to the transaction or arrangement, but shall not be present during the final consideration of, and may not vote on, such transaction or arrangement, and shall not be counted for purposes of a quorum.
- e. In its discretion, the Disinterested Directors or Conflict of Interest Committee, after exercising due diligence, may determine whether the ~~Covered Entity~~ Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

#### 4. Violations of the Conflicts of Interest Policy

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ~~—~~b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee

determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Corrective action shall include undoing the transaction or arrangement to the extent possible and taking any additional measures necessary to place the Covered Entity Foundation in a ~~financial~~ position that is not worse than the position the Covered Entity Foundation would be in if the member had dealt with the Covered Entity Foundation under the highest fiduciary standards.

The board or committee may take any other disciplinary or corrective action as it may determine in its discretion, subject to the terms of the articles of incorporation, bylaws or other organizational documents and by applicable laws.

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## 5. Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain --

- a. the names of the persons who disclosed or otherwise were found to have a ~~financial interest~~ Financial Interest or Personal Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest or Personal Interest ~~financial interest~~, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.
- c. If appraisals (for tangible property) or third-party comparable data (for compensation) were considered by the Disinterested Directors or Conflict of Interest Committee, the nature and source of the data.

## Article V

### Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ~~the a Covered Entity Foundation~~ for services is precluded from voting on matters pertaining to that member's compensation.

## Article VI

## Periodic Reviews

To ensure that ~~the Foundation~~ each applicable Covered Entity operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether any transactions or other arrangements to which the Covered Entity ~~Foundation~~ is a party further the Covered Entity ~~Foundation~~'s charitable purposes and do not result in private inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Covered Entity ~~Foundation~~'s charitable purposes, and do not result in private inurement or impermissible private benefit.

## Article VII

### Use of Outside Experts

In conducting the periodic reviews provided for in Article VI, the Covered Entity ~~Foundation~~ may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Directors of their responsibility for ensuring that periodic reviews are conducted.

## Article VIII

### Additional Requirements

1. Each director, officer, employee and consultant of a Covered Entity shall place the Covered Entity's interests above their personal interests. A Covered Entity's activities may involve, among other things, designation of financial grants to non-profit and public entities throughout the state and decisions that could affect whether and which communities receive financing assistance for economic development, charitable activities or other public purposes, or other direct or indirect benefits provided by the Covered Entities. Each director, officer, employee and consultant has a particular responsibility to exhibit the highest ethical standards and behavior in connection with such donations, grants and other decisions.

2. Each director, officer, employee and consultant of a Covered Entity must avoid situations in which it might appear that personal interests are being served or financial benefits gained in any communications or dealings with grant recipients or grant candidates, financing

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transaction participants of the Covered Entity, officials of the members or prospective members of the Covered Entity, or any others with whom the Covered Entity has engaged or is reasonably likely to engage in a transaction or arrangement. Each director, officer, employee and consultant of a Covered Entity shall refrain from seeking to further his or her personal or financial interests or those of a family member or related enterprise in any communications or dealings with grant recipients or grant candidates, financing transaction participants of the Covered Entity, officials of the members or prospective members of the Covered Entity, or any others with whom the Covered Entity has engaged or is reasonably likely to engage in a transaction or arrangement.

3. Board members must distinguish clearly in their actions and statements between their personal philosophy and attitudes and those of the Covered Entities, acknowledging the formal position of the board even if they personally disagree.

4. Board members must respect the confidential nature of business while being aware of and in compliance with applicable laws governing freedom of information, conflicts of interest and fair political practices.

5. To avoid even the appearance of impropriety, a director, officer, employee or consultant shall not appear at a grant presentation, appreciation event, ribbon-cutting or ground-breaking ceremony or the like unless the full board has been invited to attend (but may do so as a representative of the board as provided below). Family members of any director, officer, employee or consultant shall not attend any such presentation, event or ceremony. Board members must clearly indicate to grant recipients that all donations are based on approval of the board and shall not take personal credit for themselves, any related enterprise or any member of their family. The board may authorize individual board members to represent the board from time to time at such a presentation, event or ceremony. Individual board members should avoid direct solicitation of new business, new members and new directors except at the direction of a quorum of the board. Individual board members should avoid direct participation in individual financing transactions except at the direction of a quorum of the board.

6. No active member of the public finance industry shall be permitted to be a board member, except active government employees.

## Article VIII

### Additional Requirements

Once adopted by resolution of the governing board of a Covered Entity, this Policy shall remain in effect for such Covered Entity until amended or rescinded by subsequent resolution. Violations of this Policy by a board member and the penalties therefor shall be determined by the remaining members of such board, subject to the terms of the articles of incorporation, bylaws or other organizational documents and by applicable laws.

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## **ALTERNATE AUTHORITY COUNSEL RECOMMENDATIONS**

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**Subject:** Alternate Authority Counsel and Delegating Authority to the Executive Director.

**Meeting:** March 21, 2014

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**Background:**

The CMFA agreed to a contract with Jones Hall, A Professional Law Corporation (“Jones Hall”) in January 2013 to provide legal services to the Authority Entities after a lengthy RFP process.

Jones Hall represents or will represent many political subdivisions, investment banking firms and financial advisory firms (collectively, “Other Clients”). If Jones Hall represents or seek to represent any Other Client in a particular matter and the interests of the Other Client potentially or actually conflict with the interests of an Authority Entity, or appear to conflict with the interests of an Authority Entity, Jones Hall will meet and confer with representatives of the Authority Entity to discuss the potential, actual or apparent conflict and may request a written waiver of such conflict from the Authority Entity after describing all relevant facts. If the Authority Entity declines to waive the conflict in its sole discretion, Attorneys shall promptly disqualify itself from representing the Other Client or the Authority Entity with respect to such matter.

In cases where another counsel is needed to represent the Authority Entities, the Executive Director should have the ability to engage the services of alternate issuer’s counsel. Alternate Issuer’s Counsel firms include Hawkins, Delafield & Wood LLP, Kutak Rock LLP, Nixon Peabody LLP, Norton Rose Fulbright, Orrick, Herrington & Sutcliffe, LLP, Sidley Austin LLP, Squire Sanders LLP and Stradling Yocca Carlson & Rauth.

**Recommendation:**

The Executive Director recommends approval to engage an alternate counsel to the Authority from the above list in cases that warrant another firm.



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## **EXECUTIVE DIRECTOR CONTRACT SUMMARY AND RECOMMENDATIONS**

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Presenter: Ron Lee

Subject: Executive Director Contract

Action: Renewal

Meeting: March 21, 2014

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### Background:

CMFA entered into its current Executive Director contract on July 1, 2013 after a lengthy RFQ process. It expires on July 1, 2014. A copy of the contract is attached as Appendix I.

### Requested Action:

Renew the contract for an additional three-year period on the same terms.

### Alternatives:

The board can direct staff to undertake a new RFQ process with or without interviews. This process will likely take 6-8 weeks minimum, maybe longer.

The board can also direct staff to negotiate a new contract with Mr. Becker on different terms.

### Recommendation:

Jones Hall recommends that the CMFA Board of Directors approve the renewal of the current Executive Director contract for an additional three years on the same terms.







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## **SPONSORSHIP OF GONSALVES CLIENT CITIES LEGISLATIVE APPRECIATION DINNER**

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**Subject:** Sponsorship of Gonsalves Client Cities  
Legislative Appreciation Dinner

**Meeting:** March 21, 2014

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**Background:**

The Gonsalves Client Cities Legislative Appreciation Dinner will take place on Tuesday, April 29, 2014, at the Sterling Hotel, located at 1300 H Street, Sacramento from 6:00 p.m. to 9:00 p.m.

The city of Norwalk has graciously volunteered to serve as “host city” and will send invites to the Governor, State Constitutional Officers, and the Members of the Senate and Assembly, on behalf of our client cities.

The CMFA has been asked to co-sponsor this year’s Appreciation Dinner with the Clearinghouse CDFI, Erickson Hall Construction/Construction Management, the Independent Cities Finance Authority, Willdan and Keenan. As a result of the sponsorships, cities will not have to reimburse the “host city” for attending the dinner.

During the afternoon from 2:00 p.m. - 4:00 p.m. at the State Capitol, a few Legislators and Constitutional Officers are expected speak to the group about their perspectives on the State Budget, Local Government, and the dissolution of Redevelopment.

**Recommendation:**

The Executive Director recommends approval of the Sponsorship of the Gonsalves Client Cities Legislative Appreciation Dinner.



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## **SPONSORSHIP OF CALIFORNIA HOUSING CONSORTIUM ANNUAL POLICY FORUM & CALIFORNIA HOUSING HALL OF FAME AWARDS**

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**Subject:** Sponsorship of California Housing Consortium Annual  
Policy Forum & California Housing Hall of Fame Awards

**Meeting:** March 21, 2014

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**Background:**

The annual California Housing Consortium Annual Policy Forum & California Housing Hall of Fame Awards event will be held at the Loews Santa Monica Beach Hotel. Last year two-hundred and fifty affordable housing leaders spent the day hearing from an insightful keynote speaker, engaging in an inventive policy discussion, and honoring five industry veterans who have made a profound impact in the affordable housing field.

As the statewide big tent organization for affordable housing, they strive to provide a forum for provocative ideas to be discussed and debated in the hopes of striking upon new ideas and reaching common ground.

CHC will be honoring a distinguished group of inductees into the California Housing Hall of Fame. To be inducted, an individual or organization must demonstrate a substantial contribution toward advancing the cause of affordable housing in California.

Table Sponsor is \$3,500.

**Recommendation:**

The Executive Director recommends approval of the Sponsorship of the California Housing Consortium Annual Policy Forum & California Housing Hall of Fame Awards.



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## **HOUSE WAYS & MEANS LETTER RECOMMENDATIONS**

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Subject: Letter to House Ways & Means Committee

Meeting: March 21, 2014

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**Background:**

House Ways and Means Committee chairman Dave Camp's draft tax reform plan, released in late February, would terminate the tax exemption for private-activity bonds issued after 2014.

**Recommendation:**

The Executive Director recommends the Board consider approving a letter to be sent to the House Ways & Means Committee.



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## **INFORMATIONAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

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Item:	Administrative Issues; A., B., C., D., E., F., G., H.
Action:	Each meeting, the board has the opportunity to discuss, without taking any formal actions on items;  A. Executive Director Report B. Marketing Update C. Membership Update D. Transaction Update E. Legislative Update F. Internal Policies and Procedures G. Legal Update H. FPPC Statement of Economic Interest

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## **PROCEDURAL ITEMS FOR THE CFSC SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CFSC, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES**  
**CALIFORNIA FOUNDATION FOR PUBLIC FACILITIES**  
**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**AND CERTAIN AFFILIATES**

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**POLICY AND PROCEDURES FOR DEALING WITH  
CONFLICT OF INTEREST ISSUES**

**Article I**

**Purpose**

The purpose of this Policy and Procedures for Dealing with Conflict of Interest Issues (“Policy”) is to protect the interests of the California Foundation for Stronger Communities (the “CFSC”), the California Foundation for Public Facilities (the “FoundationCFPF”), the California Municipal Finance Authority (the “CMFA”) or and any Affiliates (defined in Section 1, below, and together with the CFSC, the CFPF and the CMFA, the “Covered Entities”) when it is considering a transaction or arrangement that might benefit the private interest of any director, officer, employee or consultant of ~~the Foundation or an Affiliate~~any Covered Entity. Foundation-Covered Entity Directors, officers, employees, attorneys and consultants all serve the charitable and educational mission of ~~the Foundations~~such Covered Entity.

Decisions about ~~Covered Entity Foundation~~Covered Entity Foundation operations and the use or disposition of ~~Covered Entity Foundation~~Covered Entity Foundation assets should be made, and should appear to be made, to further the mission of the ~~Covered Entity Foundation~~Covered Entity Foundation and not for private profit or other personal benefit to the individuals affiliated with ~~Covered Entity Foundation~~Covered Entity Foundation who take part in those decisions. Directors, officers, employees, attorneys and consultants all have an obligation to conduct the affairs of the ~~Covered Entity Foundation~~Covered Entity Foundation in a manner consistent with the ~~Covered Entity Foundation~~Covered Entity Foundation’s mission and to render advice and make decisions in the best interests of the ~~Covered Entity Foundation~~Covered Entity Foundation.

The Policy is intended to supplement but not replace any ~~applicable~~California laws governing conflicts of interest applicable to nonprofit and charitable corporations and governmental entities, respectively. The Policy shall be interpreted and, as necessary, modified, to comply with all applicable rules, regulations and laws.

**Article II**

**Definitions**

**1. Affiliate**

An “Affiliate” of a Covered Entity means (A) (i) any entity (whether governmental, for-profit or non-profit) in which the ~~Covered Entity Foundation~~Covered Entity Foundation owns or controls (directly or indirectly) a majority stock, partnership, or membership interest, (ii) ~~and~~ any entity in which a

minority interest is owned (directly or indirectly) by the Covered Entity Foundation if substantially all of the financial consideration for the transaction at issue is provided by the Covered Entity Foundation or (iii) any entity in which the Covered Entity directly or indirectly controls the appointment and removal of a majority of the seats on the governing board, and (B) the governing board of which has adopted this Policy by resolution. The Covered Entities Foundation and all Affiliates are, where appropriate in the context of the provision, hereinafter collectively referred to as the Covered Entities.

## 2. Interested Person

An “interested person” is any person or entity, including but not limited to a Foundation Covered Entity director, officer, employee or consultant, who has a direct or indirect Financial Interest or a direct or indirect Personal Interest, as defined below, or is or, at any time during the five year period immediately preceding the transaction or arrangement was, in a position to exercise substantial influence over the affairs of the Covered Entity Foundation. If a person is an interested person with respect to any Affiliate of a Covered Entity, he or she is an interested person with respect to the Covered Entity Foundation and each Affiliate thereof.

## 3. Disinterested Director

A “disinterested director” is any Covered Entity Foundation director who, for purposes of a particular transaction or arrangement, is not (a) an interested person, (b) related to an interested person or (c) controlled by an interested person. A director will not be a disinterested director if the director is a party to a reciprocal arrangement with ~~the~~ an interested person either formal or informal, written or unwritten, under which the interested person has approved or will approve a transaction or arrangement between the director and the Covered Entity Foundation or any other person or entity.

## 4. Financial Interest

A person has a “Financial Interest” if (1) he or she, (2) any member of his or her family (as defined below), or (3) an enterprise related (see definition of “related enterprise” below) to him or her or to a member of his or her family, directly or indirectly,

- a. is contemplating, is negotiating, or has entered into a transaction or other arrangement with the Covered Entity Foundation, or
- b. is contemplating acquiring, or has, an ownership or investment interest in any entity with which the Covered Entity Foundation has or is negotiating a transaction or arrangement, or
- c. is contemplating entering into, or has a compensation arrangement (whether as an employee, director, director, or independent contractor) with the Covered Entity Foundation or with any entity or individual with which the Covered Entity Foundation has or is negotiating a transaction or arrangement, or



- d. may receive a financial or other material benefit from knowledge of proprietary or other privileged or confidential information obtained by such person in the course of working for or with the Covered Entity~~Foundation~~, or
- e. is contemplating acquiring, or has an interest in an entity or enterprise which is in competition with an entity or enterprise that is seeking to enter, or has entered, into a transaction or arrangement with the Covered Entity~~Foundation~~—if that person’s relationship with the Covered Entity~~Foundation~~ provides him or her access to proprietary or other privileged or confidential information that could benefit the organization in which he or she has, or is contemplating acquiring, an interest.

\_\_\_\_\_ Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

\_\_\_\_\_ A ~~financial interest~~Financial Interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a Financial Interest~~financial interest~~ may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

## **5. Personal Interest**

A person has a “Personal Interest” in a transaction or arrangement if (1) he or she, (2) any member of his or her family (as defined below), or (3) an enterprise related (see definition of “related enterprise” below) to him or her or to a member of his or her family, directly or indirectly,

- a. has sought or received or will seek or receive recognition of any kind beyond any recognition of the Covered Entity for the transaction or arrangement,
- b. has sought or received or will seek or receive non-monetary benefits from the counterparty to the transaction or arrangement beyond the benefits available to the general public or local community, or
- c. has sought or received or will seek or receive non-monetary advantages as a result of the transaction or arrangement beyond the non-monetary advantages available to the general public or local community.

A Personal Interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a Personal Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

**56. Family**

The term “family” includes an individual’s spouse, parents, siblings, children, grandchildren, and any other person related to such individual by blood, marriage or adoption that resides in the same household as such individual.

**67. Related enterprise**

The term “related enterprise” (and reference to an enterprise related to a person) means any corporation, partnership, limited liability company, trust, unincorporated association, organization or other enterprise (of a business or charitable nature or otherwise) with respect to which a person (1) is a director, officer, member, partner, employee or consultant, or (2) is in a position to exert control or significant influence as a result of such person’s financial or other interest in such entity or enterprise.

**8. Transaction or arrangement**

The term “transaction or arrangement” means any transaction, arrangement or communication with or on behalf of a Covered Entity and includes, without implied limitation, any grant or donation by or from a Covered Entity and any communications with grant recipients of the Covered Entity, applicants for benefits or assistance from the Covered Entity, and current or prospective members or directors of the Covered Entity.

**Article III**

**Disclosure of Policy/Annual Statements**

**1. Disclosure of Policy**

Each Covered Entity Foundation director, officer, employee and consultant shall ~~annually~~ sign a statement that affirms that such person--

- a. has received a copy of the Policy,
- b. has read and understands the Policy,
- c. understands that these procedures apply to all committees and subcommittees with board-delegated powers,
- d. understands that, if applicable, the Covered Entity Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes,
- e. acknowledges that, in working with and for the Covered Entity Foundation, he or she has an obligation to conduct the affairs of the Covered Entity Foundation in a

manner consistent with the ~~Covered Entity~~Foundation's mission and to render advice and make decisions in the best interests of the ~~Covered Entity~~Foundation, and

- f. has agreed to comply with the Policy.

This Article shall not apply to employees ~~or contractors~~ whose responsibilities are determined by the Board of Directors to be solely administrative in nature.

#### Article IV

##### Procedures For Addressing Conflicts of Interest

###### 1. Duty to Disclose

- a. Each director, officer, employee and consultant shall ~~submit an annual statement~~disclose to the Board of Directors ~~disclosing~~any Financial Interest ~~or Personal Interest~~ with respect to any proposed or ongoing ~~Foundation-Covered Entity~~ transaction or arrangement, ~~either in an open session of a regular or special meeting of the Board of Directors, or in writing to the President or Chair of the Board of Directors.~~
- b. In addition, if any such director, officer, employee and consultant becomes aware of a potential Financial Interest ~~or Personal Interest~~ with respect to a proposed ~~Covered Entity Foundation~~ transaction or arrangement, he or she shall promptly notify the President ~~and/or the Chairman~~ of the Board of Directors of such potential Financial Interest ~~or Personal Interest~~.
- c. In connection with any actual or possible conflict of interest, an interested person must be given the opportunity to disclose all material facts to the Directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

###### 2. Determining Whether a Conflict of Interest Exists

- a. The Board of Directors shall review ~~such annual disclosure statements and any such reports made during the year~~any disclosures of Financial Interests and Personal Interests and make such further investigation as it deems desirable. The Board of Directors may designate other persons who are not interested persons to assist in such investigation.
- b. After disclosure of a potential Financial Interest ~~or Personal Interest~~ and all material facts, the interested person shall leave the board or committee meeting while the question of whether a conflict of interest exists is discussed and voted upon by the Disinterested Directors. The Disinterested Directors shall decide if a conflict of

interest exists. An interested person may make a presentation at the board or committee meeting but, after such presentation, must leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the potential conflict of interest.

- c. If a majority of the Board of Directors are interested persons with respect to a particular matter, then the disinterested Directors of the ~~Foundation-Covered Entity~~ shall appoint a special Conflict of Interest Committee of non-interested persons to review such matter. The Conflict of Interest Committee shall report directly to the disinterested Directors. Any matter that is referred to the Conflict of Interest Committee must be approved by a majority of the disinterested Directors before being entered into by the ~~Covered Entity~~~~Foundation~~.
- d. All statements and other information reported by interested persons relating to a conflict of interest shall be maintained on a confidential basis, subject to compliance with applicable law. The Board of Directors and/or Conflict of Interest Committee shall undertake its reviews to protect the interests of the ~~Covered Entity~~ ~~Foundation~~ and its Affiliates in accordance with applicable law.

### 3. Procedures for Addressing the Conflict of Interest

- a. If the Disinterested Directors or Conflict of Interest Committee determines that a conflict of interest exists, the Disinterested Directors or Conflict of Interest Committee shall determine by a majority vote whether
  - (i) the transaction or arrangement is in the ~~Covered Entity~~~~Foundation~~'s best interest and for its own benefit,
  - (ii) the transaction or arrangement is fair and reasonable from the perspective of the ~~Covered Entity~~~~Foundation~~, and
  - (iii) the ~~Covered Entity~~ ~~Foundation~~ is unable to obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances.

If the Disinterested Directors or Conflict of Interest Committee decides that any of the criteria set forth in items (i), (ii) and (iii) have not been satisfied, the ~~Covered Entity~~ ~~Foundation~~ will not enter into the transaction or arrangement.

If the Covered Entity has been legally committed to the transaction or arrangement prior to the disclosure of the Financial Interest or Personal Interest, the Disinterested Directors or Conflict of Interest Committee may take or recommend any action as it determines in its discretion, subject to applicable law and the governing documents of the Covered Entity.

- b. In determining whether a transaction or arrangement is fair and reasonable to the ~~Covered Entity~~Foundation, the Disinterested Directors or Conflict of Interest Committee shall obtain and review (where appropriate, taking into account the materiality of the transaction or arrangement) one or more (i) appraisals of the fair market value of the transaction or arrangement, (ii) offers from comparable competing entities, (iii) studies of compensation arrangements, or (iv) reports or studies from independent parties who have a demonstrated expertise in valuing or analyzing the fairness of such a transaction or arrangement.
- c. If the transaction involves the payment of compensation to an interested person, of an amount considered by the Disinterested Directors or Conflict of Interest Committee to be material, then the Directors or committee shall secure data regarding comparable third-party arrangements. Such comparables, to the extent possible, shall reflect compensation arrangements entered into by tax-exempt institutions of comparable size or revenue to the ~~Covered Entity~~Foundation. ~~To the extent the transaction involves an Affiliate, the comparable third-party data shall reflect compensation arrangements entered into by institutions that are comparable in size or revenue to the Affiliate.~~ The Directors or committee shall consider such comparable data when making its determinations under paragraph a. above. Further, if the proposed transaction involves the sale or acquisition of tangible property of a material value, the Committee may secure one or more appraisals of such property, as appropriate. The Committee shall consider any obtained appraisals when making the determination under paragraph a. above.
- d. In the discretion of the Disinterested Directors or Conflict of Interest Committee, the interested person may be present at board or committee meetings for the purpose of responding to inquiries by the board or committee members with respect to the transaction or arrangement, but shall not be present during the final consideration of, and may not vote on, such transaction or arrangement, and shall not be counted for purposes of a quorum.
- e. In its discretion, the Disinterested Directors or Conflict of Interest Committee, after exercising due diligence, may determine whether the ~~Covered Entity~~ Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

#### 4. Violations of the Conflicts of Interest Policy

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ~~—~~b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee

determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Corrective action shall include undoing the transaction or arrangement to the extent possible and taking any additional measures necessary to place the Covered Entity Foundation in a financial position that is not worse than the position the Covered Entity Foundation would be in if the member had dealt with the Covered Entity Foundation under the highest fiduciary standards.

The board or committee may take any other disciplinary or corrective action as it may determine in its discretion, subject to the terms of the articles of incorporation, bylaws or other organizational documents and by applicable laws.

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## 5. Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain --

- a. the names of the persons who disclosed or otherwise were found to have a financial interest Financial Interest or Personal Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest or Personal Interest financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.
- c. If appraisals (for tangible property) or third-party comparable data (for compensation) were considered by the Disinterested Directors or Conflict of Interest Committee, the nature and source of the data.

## Article V

### Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ~~the a Covered Entity Foundation~~ for services is precluded from voting on matters pertaining to that member's compensation.

## Article VI

## Periodic Reviews

To ensure that ~~the Foundation~~ each applicable Covered Entity operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether any transactions or other arrangements to which the Covered Entity ~~Foundation~~ is a party further the Covered Entity ~~Foundation~~'s charitable purposes and do not result in private inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Covered Entity ~~Foundation~~'s charitable purposes, and do not result in private inurement or impermissible private benefit.

## Article VII

### Use of Outside Experts

In conducting the periodic reviews provided for in Article VI, the Covered Entity ~~Foundation~~ may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Directors of their responsibility for ensuring that periodic reviews are conducted.

## Article VIII

### Additional Requirements

1. Each director, officer, employee and consultant of a Covered Entity shall place the Covered Entity's interests above their personal interests. A Covered Entity's activities may involve, among other things, designation of financial grants to non-profit and public entities throughout the state and decisions that could affect whether and which communities receive financing assistance for economic development, charitable activities or other public purposes, or other direct or indirect benefits provided by the Covered Entities. Each director, officer, employee and consultant has a particular responsibility to exhibit the highest ethical standards and behavior in connection with such donations, grants and other decisions.

2. Each director, officer, employee and consultant of a Covered Entity must avoid situations in which it might appear that personal interests are being served or financial benefits gained in any communications or dealings with grant recipients or grant candidates, financing

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transaction participants of the Covered Entity, officials of the members or prospective members of the Covered Entity, or any others with whom the Covered Entity has engaged or is reasonably likely to engage in a transaction or arrangement. Each director, officer, employee and consultant of a Covered Entity shall refrain from seeking to further his or her personal or financial interests or those of a family member or related enterprise in any communications or dealings with grant recipients or grant candidates, financing transaction participants of the Covered Entity, officials of the members or prospective members of the Covered Entity, or any others with whom the Covered Entity has engaged or is reasonably likely to engage in a transaction or arrangement.

3. Board members must distinguish clearly in their actions and statements between their personal philosophy and attitudes and those of the Covered Entities, acknowledging the formal position of the board even if they personally disagree.

4. Board members must respect the confidential nature of business while being aware of and in compliance with applicable laws governing freedom of information, conflicts of interest and fair political practices.

5. To avoid even the appearance of impropriety, a director, officer, employee or consultant shall not appear at a grant presentation, appreciation event, ribbon-cutting or ground-breaking ceremony or the like unless the full board has been invited to attend (but may do so as a representative of the board as provided below). Family members of any director, officer, employee or consultant shall not attend any such presentation, event or ceremony. Board members must clearly indicate to grant recipients that all donations are based on approval of the board and shall not take personal credit for themselves, any related enterprise or any member of their family. The board may authorize individual board members to represent the board from time to time at such a presentation, event or ceremony. Individual board members should avoid direct solicitation of new business, new members and new directors except at the direction of a quorum of the board. Individual board members should avoid direct participation in individual financing transactions except at the direction of a quorum of the board.

6. No active member of the public finance industry shall be permitted to be a board member, except active government employees.

## Article VIII

### Additional Requirements

Once adopted by resolution of the governing board of a Covered Entity, this Policy shall remain in effect for such Covered Entity until amended or rescinded by subsequent resolution. Violations of this Policy by a board member and the penalties therefor shall be determined by the remaining members of such board, subject to the terms of the articles of incorporation, bylaws or other organizational documents and by applicable laws.

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## CHARITABLE GRANT GUIDELINES

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Recipient: Board Members of the California Foundation for  
Stronger Communities

Purpose: To Provide an Outline of Charitable Grant Guidelines

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### **CHARITABLE GUIDELINES:**

1. Ensure charitable donations are directed towards organizations that:  
Are in California communities.
  - a. Find it difficult to receive funding through other sources.
  - b. Have not received a charitable donation in the last year. This is not meant to include those organizations that have enjoyed a fee reduction through a CMFA financing.
  - c. Do not require compliance monitoring by the CMFA or CFSC.
  - d. Are not in a category listed below:
    - i. Individuals, including individual scholarship or fellowship assistance
    - ii. For-profit entities, including start-up businesses
    - iii. Political, labor, religious, or fraternal activities
    - iv. Endowments
    - v. Film or video projects, including documentaries
    - vi. Travel, including student trips or tours
    - vii. Promotional merchandise
    - viii. Organizations other than IRS 501(c)(3), 501(c)(6), governmental, or tribal entities
2. A staff report must be provided to the Board at least 24 hours before donations are recommended or approved. Funds will not be dispersed on a cash advance basis.
3. Coordinate donation with municipal staff, elected officials, recipient and press to ensure everyone on the team benefits from our partnership and unique give back. Furthermore, the widest dissemination of the donation will further the goals of the CMFA, and provide the greatest chance for leveraging these funds by inducing other donations.
4. Suggested categories the CMFA through the CFSC could direct funds are:
  - a. Health Care
  - b. Education
  - c. Human Services
  - d. Affordable Housing
  - e. Cultural
  - f. Targeted Populations: Youth, Seniors, Low/Moderate Income Individuals
5. Staff will distribute and process all charitable grants.

Adonai  
8038 Rosebud Street  
Rancho Cucamonga , CA 91701

adonaifamilies.org

County San Bernardino

FEIN

56-2611932

Founded: 2008

Previous Donation: ☒ Yes ☐ No \$20,000 10/13/2009 List Date 11/22/2013

**Mission:**

To assist families who have a child with cancer. They provide school supplies and have Holiday parties for the parents and children who drive for miles to attend.

**Impact:**

A donation would assist them in the continuance of their mission.

**Financial Information:** IRS Form 990-EZ for FY 2012

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	141,693	100.0%	
Other	16	0.0%	
Total Revenue:	<u>\$141,709</u>	<u>100.0%</u>	
Expenses:			
Program	\$123,174	93.3%	
Administration	8,055	6.1%	
Fund Raising	838	0.6%	
Total Expenses:	<u>\$132,067</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$9,642</u>		
Net Assets:	<u>\$31,124</u>		

BOD: Pam Brown; Mark Brown; Deanna Hardy; JR Hofmann; Art Klementz; Dick Kelly; Ladd Hardy; Kent Tucker

Age Well Senior Services  
24300 El Toro Road, Bldg A #2000  
Laguna Woods , CA 92637

www.agewellseniorservices.org

County

Orange

FEIN

93-1163563

Founded: 1975

Previous Donation: ☐ Yes ☒ No

List Date 11/1/2013

**Mission:**

To promote, advocate and improve the quality of life, dignity, and independence of the elderly. Services that enable seniors to stay in their own home and maintain "Quality of Life," is what we are all about.

Meals on wheels and Congregate Meals Programs  
Transportation  
South County Adult Day Services  
Health and Wellness Program  
Case Management  
Senior Centers

**Impact:**

A donation would assist the program to provide services to the elderly.

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$4,752,185	67.5%	
Contributions	2,129,046	30.2%	
Other	<u>156,966</u>	<u>2.2%</u>	
Total Revenue:	<u>\$7,038,197</u>	<u>100.0%</u>	
Expenses:			
Program	\$6,960,321	91.3%	
Administration	439,838	5.8%	
Fund Raising	<u>225,526</u>	<u>3.0%</u>	
Total Expenses:	<u>\$7,625,685</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$587,488)</u>		
Net Assets:	<u>\$1,847,343</u>		

BOD: Douglas E. Zielasko; Guy Navarro; Ted Sanders; Dan Dubois; Robert E. Bates; Howard Baumann; Anna T. Boyce; Tim Bryant; Mark Burton; Jim Cherrie; Ray Chicoine; Adam Darvish; Jolene Fuentes; Peter Gilkey; Patricia A. Kolstad; Kim Luu; Richard Morse; Steve Moyer; Tandy Sullivan; Ronald G. Ditty

ChildNet Youth and Family Services

4155 Outer Traffic Circle

Long Beach , CA 90804

www.childnet.net

County

Los Angeles

FEIN

95-2666942

Founded: 1972

Previous Donation: ☒ Yes ☐ No \$10,000 12/10/2010 List Date 11/22/2013

**Mission:**

To provide safe homes, education and counseling to vulnerable children and families. The program philosophy reinforces personal responsibility and emphasizes the need for a strong family unit.

**Impact:**

A donation would assist in enhancing the program

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$21,497,412	97.7%	
Contributions	81,167	0.4%	
Other	<u>414,390</u>	<u>1.9%</u>	
Total Revenue:	<u>\$21,992,969</u>	<u>100.0%</u>	
Expenses:			
Program	\$20,491,787	86.5%	
Administration	3,184,666	13.4%	
Fund Raising	<u>14,887</u>	<u>0.1%</u>	
Total Expenses:	<u>\$23,691,340</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$1,698,371)</u>		
Net Assets:	<u>\$11,643,977</u>		

BOD: Don Trojan; Braden Phillips; Mike Deaderick; Louis Cassani; Robert Alperin; Geri Brewster; Gordon Lentzner; Jim Choura; Stephen Gordon; Randy Wilson; Tim Richmond

# Legal Services of Northern California

517 12th Street

Sacramento , CA 95814

lsnc.net

County

Sacramento

FEIN

94-1384659

Founded: 1956

Previous Donation: ☐ Yes ☒ No

List Date 12/13/2013

## **Mission:**

LSNC serves a low-income population of over 500,000 spread over an urban/ rural (mostly rural, outside of Sacramento and a handful of relatively small cities) area that encompasses 49,005 square miles, roughly the size of Ohio.

The population we serve is largely minority. The census data suggests the following racial/ethnic profile of the poverty population: White, 40%; African-American, 9%; Native American, 3%; Asian, 10%; Hispanic, 20%; Other, 17%. LSNC serves the second largest Hmong population and the largest Mienh community in the United States. Our northern and coastal counties and the San Joaquin river delta are home to thousands of migrant farm workers who cultivate and harvest the tree and row crops, including wine grapes, that support California's agricultural industry. The north state is also home to a significant Native American population for whom our staff provide special outreach and services.

## **Impact:**

A donation would assist the organization in providing legal services within Northern California.

## **Financial Information:** IRS Form 990 for FY 2011

Revenues:	Amount	%	Notes
Government/Earned	\$8,301,496	84.6%	
Contributions	1,364,931	13.9%	
Other	<u>150,507</u>	<u>1.5%</u>	
Total Revenue:	<u>\$9,816,934</u>	<u>100.0%</u>	
Expenses:			
Program	\$8,744,431	82.1%	
Administration	1,783,927	16.7%	
Fund Raising	<u>123,149</u>	<u>1.2%</u>	
Total Expenses:	<u>\$10,651,507</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$834,573)</u>		
Net Assets:	<u>\$4,588,692</u>		

BOD: Officers: Kevin R. Johnson, President; Jane Kroesche, Vice President; David A. Coleman Sr., Secretary; John F. Davis, Treasurer; H. Patrick Sweeney, Executive Member; Annette Smith, Executive Member

Maitri Charitable Trust  
PO Box 697  
Santa Clara , CA 95052

www.maitri.org

County

Santa Clara

FEIN

94-3132087

Founded: 1991

Previous Donation: ☒ Yes ☐ No \$25,000 8/26/2010 List Date 8/30/2013

**Mission:**

Maitri's mission is to foster self-reliance and self-confidence in South Asian women and their children who have been impacted by DV, human trafficking, family conflict, and cultural isolation, by helping women learn how to help themselves. Maitri recognizes that the social and cultural separation or isolation that its clients experience contributes to their problems. In response, Maitri helps clients integrate into mainstream American society so they feel comfortable and capable to participate in it.

**Impact:**

Maitri would be able to continue to provide services to an underserved community.

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$160,552	47.8%	
Contributions	174,361	51.9%	
Other	<u>846</u>	<u>0.3%</u>	
Total Revenue:	<u>\$335,759</u>	<u>100.0%</u>	
Expenses:			
Program	\$477,277	95.4%	
Administration	12,799	2.6%	
Fund Raising	<u>10,235</u>	<u>2.0%</u>	
Total Expenses:	<u>\$500,311</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$164,552)</u>		
Net Assets:	<u>\$952,006</u>		

BOD: Soninder Pelia  
Roma Majumdar  
Anjali Dujari  
Mukta Sharangrani

National Forest Foundation  
c/o Vance Russell 803 2nd St., Suite A  
Davis , CA 95616

www.nationalforests.org

County

Yolo

FEIN

52-1786332

Founded: 1990

Previous Donation: ☐ Yes ☒ No

List Date 12/13/2013

**Mission:**

The mission of the National Forest Foundation is to engage America in community-based and national programs that promote the health and public enjoyment of the 193-million-acre National Forest System.

The proposed project is designed to connect and involve communities in the forests that are essentially in their backyards in Northern CA. Any dollar donated to this project is leveraged to \$2.50 from Forest Service and local partner match. The project has on-ground restoration projects coupled with community volunteer days for weed removal, tree planting and sustainable recreation.

**Impact:**

A donation would assist in the completion of the Tahoe Project.

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$5,413,977	48.2%	Financial Statement and a project synopsis is available if you desire a copy.
Contributions	5,575,015	49.6%	
Other	<u>253,011</u>	<u>2.3%</u>	
Total Revenue:	<u>\$11,242,003</u>	<u>100.0%</u>	
Expenses:			
Program	\$12,271,192	94.1%	
Administration	577,962	4.4%	
Fund Raising	<u>193,614</u>	<u>1.5%</u>	
Total Expenses:	<u>\$13,042,768</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$1,800,765)</u>		
Net Assets:	<u>\$8,640,417</u>		

BOD: John Hendricks; Craig R. Barrett; David Bell; Bradley K. Johnson; Timothy Proctor Schieffelin; Peter Foreman; Mike Brown Jr.; Thomas L. Tidwel; Coleman Burke; Robert Cole; Bart Eberwein; Robert Feitler; Lee Fromson; Roje S. Gootee; Jack Sahl; Jeff Paro; Susan Schnabel; Chad Weiss; James Yardley; Blaise Carris; Mary Smart; William J. Possiel



New Door Ventures  
321 20th Street  
San Francisco , CA 94110

newdoor.org

County San Francisco

FEIN

94-2780274

Founded: 1981

Previous Donation: ☐ Yes ☒ No

List Date 3/21/2014

### **Mission:**

New Door Ventures helps at-risk youth get ready for work and life.

Initially, New Door provided job internships only through its own businesses (Ashbury Images and Pedal Revolution). Since 2005, New Door has focused its programs exclusively on youth age 16-21, and in the fall of 2008, New Door launched the innovative Ally program, which creates job internships for youth through local business partners. Today, New Door provides over 130 paid internships a year and serves more than 200 youth annually through job-readiness training and supportive case management.

New Door has grown and changed through the years, but our desire to find creative and relational ways to give a hand-up, rather than a hand-out remains deeply ingrained in the New Door culture.

### **Impact:**

Any donation would be used to continue the mission of the organization

### **Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$3,614,233	57.6%	
Contributions	2,653,844	42.3%	
Other	<u>1,834</u>	<u>0.0%</u>	
Total Revenue:	<u>\$6,269,911</u>	<u>100.0%</u>	
Expenses:			
Program	\$4,145,466	84.2%	
Administration	250,122	5.1%	
Fund Raising	<u>529,796</u>	<u>10.8%</u>	
Total Expenses:	<u>\$4,925,384</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$1,344,527</u>		
Net Assets:	<u>\$8,392,623</u>		

BOD: Bill Coyne; Anne-Marie Peterson; Allen Phipps; Gary Arabian; Ken Byk; Jenny Gregory; Hunt Hanover; Niquette Hunt; Sally Johnston; Chris Leupold; Elizabeth McCarty; Erin O'Donovan; Karen Skidmore

Nine O'Clock Players / Assistance League of Southern CA

1370 N. St. Andrews Place

Los Angeles , CA 90028

www.nineoclockplayers.com

County

Los Angeles

FEIN

95-1641960

Founded: 1923

Previous Donation: ☐ Yes ☒ No

List Date 9/20/2013

**Mission:**

To bring live theater to the children and parents of Los Angeles County.

**Impact:**

A donation would assist in continuing the program

**Financial Information:** IRS Form 990 for FY 2011

Revenues:	Amount	%	Notes
Government/Earned	\$12,168,326	76.6%	
Contributions	2,506,152	15.8%	
Other	<u>1,205,467</u>	<u>7.6%</u>	
Total Revenue:	<u>\$15,879,945</u>	<u>100.0%</u>	
Expenses:			
Program	\$12,002,347	84.9%	
Administration	1,912,421	13.5%	
Fund Raising	<u>230,306</u>	<u>1.6%</u>	
Total Expenses:	<u>\$14,145,074</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$1,734,871</u>		
Net Assets:	<u>\$17,012,368</u>		

BOD: Wendy Taylor; Wendy Overmire; Suzanne Kahane; Sue Thalken; Sheila Swicker; Sally Hinckley; Patricia Vogt Rowey; Pat Mulville; Nancy Wallan; Joann Koll; Jeanie McCarthy; Jacquelyn Callas; Floran Fowkes; Colleen Gold; Cheryl Van Tassel; Carol Deeter; Audrey Fimpler; Anne Page; Andrea Goodman

Patriots and Paws  
9121 Atlanta Ave 471  
Huntington Beach , CA 92646

patriotsandpaws.org

County

Orange

FEIN

38-3852940

Founded: 2011

Previous Donation: ☐ Yes ☒ No

List Date 2/28/2014

**Mission:**

We help veterans and their families with furniture and small necessities needed.

We provide veterans and their families with information and resources they can use to become successful in returning home and restart their lives back in the civilian world.

The animals help provide therapy (the animals will not be service animals as other organizations provide these services) for the veterans and their families against post-traumatic stress.

We plan on opening a thrift store to collect items to raise money for the nonprofit.

Our future plans include a kennel for the animals we rescue.

**Impact:**

Any donation would be used to support their overall program

**Financial Information:**

From internal financial statements 2012

Revenues:	Amount	%	Notes
Government/Earned Contributions	2,775	100.0%	They are a start up organization working to provide services to veterans.
Other			
Total Revenue:	<u>\$2,775</u>	<u>100.0%</u>	
Expenses:			
Program	\$50,906	100.0%	
Administration			
Fund Raising			
Total Expenses:	<u>\$50,906</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$48,131)</u>		
Net Assets:	<u>(\$54,319)</u>		

BOD: Penny Lambright; Linda Hollinghurst; Pam Akers Tabacchi; Debbie Jackson Johnson

## Rebuilding Together Sacramento

PO Box 255584

Sacramento , CA 95825

rebuildingtogethersacramento.org

County

Sacramento

FEIN

Founded: 1991

Previous Donation: ☐ Yes ☒ No

List Date 3/21/2014

### **Mission:**

What we believe!

Rebuilding Together Sacramento believes the disabled and elderly should be allowed to remain in their own homes whenever possible. We believe that our nation's veterans who return with disabilities deserve a helping hand so they may return to their own homes in basic comfort.

### **Our Values:**

We are committed to helping low-income homeowners and communities and to respecting their integrity, strengths, and assets. We strengthen lives, homes and communities.

### **Impact:**

A donation would assist the organization in the continuance of their mission.

### **Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$22,319	2.8%	Still registered as Christmas in April in Guidestar
Contributions	722,457	91.4%	
Other	<u>46,034</u>	<u>5.8%</u>	
Total Revenue:	<u>\$790,810</u>	<u>100.0%</u>	
Expenses:			
Program	\$801,420	84.3%	
Administration	131,180	13.8%	
Fund Raising	<u>17,568</u>	<u>1.8%</u>	
Total Expenses:	<u>\$950,168</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$159,358)</u>		
Net Assets:	<u>\$362,713</u>		

BOD: Stephen Miller; Jeff Smith; Krista Noonan; Jeff Mills; Scott Caddow; Will Holbert; Terry McPeck; Steve Rikala; Edwin Covarrubias; Rian Troth; Rob Webb; Rodney Moy; Wendie Skala; Carrie Bushman

Roberts Family Development Center

70 Darina Avenue

Sacramento , CA 95815

www.robertsfdc.com

County

Sacramento

FEIN

68-0470557

Founded: 2001

Previous Donation: ☐ Yes ☒ No

List Date 3/21/2014

**Mission:**

The mission of the Roberts Family Development Center is to provide services in the North Sacramento Community that will meet the individual needs of each family member. Our services provide a holistic approach focusing on early childhood and family education, economic empowerment and technology. Our goal is to nurture personal growth, strengthen families and enhance community development and civic involvement.

Some of the areas addressed by the Center are: parent education; health education; consumer education; computer competency; recreational needs.

**Impact:**

Any donation would assist in the continuing mission of the organization

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$833,671	79.4%	
Contributions	213,236	20.3%	
Other	<u>3,397</u>	<u>0.3%</u>	
Total Revenue:	<u>\$1,050,304</u>	<u>100.0%</u>	
Expenses:			
Program	\$897,928	84.9%	
Administration	102,604	9.7%	
Fund Raising	<u>56,647</u>	<u>5.4%</u>	
Total Expenses:	<u>\$1,057,179</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$6,875)</u>		
Net Assets:	<u>(\$388)</u>		

BOD: Derrel Roberts; Twiana Armstrong; Mark Cirksena; Toni Greenwell

Sacramento Housing Alliance

1800 21st Street, Suite 100

Sacramento , CA 95811

www.sachousingalliance.org

County

Sacramento

FEIN

68-0252305

Founded: 1989

Previous Donation: ☐ Yes ☒ No

List Date 3/21/2014

**Mission:**

Our mission is to work for safe, decent, accessible, affordable housing and healthy communities for homeless and low-income people through advocacy, education, leadership development and civic engagement.

Affordable Housing: promote local, regional and state housing policies that increase the financing, production and preservation of safe, decent, accessible and affordable housing in healthy neighborhoods. This includes protecting and expanding programs and policies, while promoting new options, that increase affordable housing opportunities and improved neighborhoods. Key issues include inclusionary housing, transit-oriented development, preservation of affordable housing stock, and development of permanent supportive housing.

**Impact:**

A donation would assist in the continuance of their mission.

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned	\$15,675	3.3%	
Contributions	457,825	96.3%	
Other	<u>1,705</u>	<u>0.4%</u>	
Total Revenue:	<u>\$475,205</u>	<u>100.0%</u>	
Expenses:			
Program	\$451,214	89.6%	
Administration	37,879	7.5%	
Fund Raising	<u>14,370</u>	<u>2.9%</u>	
Total Expenses:	<u>\$503,463</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$28,258)</u>		
Net Assets:	<u>\$354,421</u>		

BOD: Paul Ainger; Cathy Creswell; Stephan Daues; Paula Lomazzi; Joan Burke; Ken Cross; John Foley; Chris Jensen; Meea Kang; Stan Keasling; Rachel Iskow; Lisa Salaices; Tyrone Buckley; Karen Naungayan

San Francisco Senior Center

890 Beach Street

San Francisco , CA 94109

www.sfsenior.com

County San Francisco

FEIN

94-1212136

Founded: 1947

Previous Donation: ☐ Yes ☒ No

List Date 11/1/2013

**Mission:**

San Francisco Senior Center (SFSC) was founded in 1947 and is the oldest nonprofit senior center in the nation. SFSC is a multi-service, multi-site agency. SFSC offers a variety of services from daily, low-cost, nutritious lunches and comprehensive social services and case management to healthy living programs and continuing education. All activities are designed to encourage socialization, independent and active living while preventing isolation. There are two sites: Aquatic Park, located on the Bay by Ghirardelli Square, and Downtown, established in 1966 in the Tenderloin. Every year over 2,000 participants come through the SFSC's doors. Our participants range from well or able bodied to very frail or disabled; from the newly retired to octogenarians and centenarians.

**Impact:**

A donation would assist the organization with its programs

**Financial Information:** IRS Form 990 for FY 1012

Revenues:	Amount	%	Notes
Government/Earned	\$639,283	49.6%	
Contributions	650,610	50.4%	
Other	<u>184</u>	<u>0.0%</u>	
Total Revenue:	<u>\$1,290,077</u>	<u>100.0%</u>	
Expenses:			
Program	\$1,276,624	85.0%	
Administration	150,744	10.0%	
Fund Raising	<u>74,627</u>	<u>5.0%</u>	
Total Expenses:	<u>\$1,501,995</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$211,918)</u>		
Net Assets:	<u>(\$243,598)</u>		

BOD: Lawrence Lurie; Robin Myers; Eileen Ward; Adoria Caradine; Maris Corush; Laura Gibson;  
Alvin Huie; Claudia Klossner; John Milford; William Marotta

Seal-Naval Special Warfare Foundation-San Diego

4320 La Jolla Vlg Dr Ste 250

San Diego , CA 92122

www.sealteamevents.com

County

San Diego

FEIN

27-1963880

Founded: 2010

Previous Donation: ☒ Yes ☐ No \$30,000 11/4/2011 List Date 10/11/2013

**Mission:**

Providing for the needs of the families and children of Navy SEALS and other Naval Special Warfare Seamen who are wounded or killed in combat.

**Impact:**

A donation would assist in their mission

**Financial Information:** IRS Form 990 for FY 2011

Revenues:	Amount	%	Notes
Government/Earned Contributions	335,233	100.0%	
Other			
Total Revenue:	<u>\$335,233</u>	<u>100.0%</u>	
Expenses:			
Program	\$403,251	98.5%	
Administration	6,220	1.5%	
Fund Raising			
Total Expenses:	<u>\$409,471</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$74,238)</u>		
Net Assets:	<u>\$154,363</u>		
BOD: Craig A. Irving; Bill Strauss; John Heffner			



SeniorNet - Sacramento NE Location

4540 American River Drive

Sacramento , CA 95864

www.seniornet.org

County

Sacramento

FEIN

30-0594290

Founded: 1986

Previous Donation: ☐ Yes ☒ No

List Date 11/1/2013

**Mission:**

Mission Statement: SeniorNet's mission is to provide older adults education for and access to computer technologies to enhance their lives and enable them to share their knowledge and wisdom.

Who We Are: Founded in 1986, SeniorNet grew out of a research project funded by the Markle Foundation to determine how computers and telecommunications could enhance the lives of older adults. Since that time, SeniorNet has grown into an independent, international, volunteer-based nonprofit organization that is one of the world's leading technology educators of adults 50 +. Headquartered in Herndon, Virginia, SeniorNet has an international membership of computer users, hosts the thriving SeniorNet website at www.seniornet.org, and supports a large network of locally operated Learning Centers throughout the United States and internationally.

**Impact:**

A donation would enhance the program in Sacramento

**Financial Information:** IRS Form 990 for FY 2011

Revenues:	Amount	%	Notes
Government/Earned	\$186,824	70.9%	Parent Corporation is in Virginia but they have a site that is sponsored in Sacramento.
Contributions	64,235	24.4%	
Other	<u>12,356</u>	<u>4.7%</u>	
Total Revenue:	<u>\$263,415</u>	<u>100.0%</u>	
Expenses:			
Program	\$308,828	78.7%	
Administration	70,723	18.0%	
Fund Raising	<u>12,675</u>	<u>3.2%</u>	
Total Expenses:	<u>\$392,226</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$128,811)</u>		
Net Assets:	<u>\$309,182</u>		

BOD: Jeaneen Logan; William Grubb, Jr.; Paul DelPonte; Daniel Wilson; Nicholas Brown; Paul Sladkus; Alfred Moye; Slava Vero; Jack Deeds; Debra Berlyn; Leslie M. Smith; Josip Markus

Serve the People

1206 E. 17th Street, Suite 204

Santa Ana , CA 92701

www.serve-the-people.com

County

Orange

FEIN

27-0421556

Founded: 2008

Previous Donation: ☐ Yes ☒ No

List Date 2/7/2014

**Mission:**

To provide for the physical, mental, emotional and mentoring needs of the poor, children, sick, needy, uneducated, oppressed and lost people. To serve people regardless of religion, ethnicity, race, or gender with love, compassion, and generosity. Orange County, home to some of the most exclusive neighborhoods in the nation, is one of the most expensive places to live in the U. S. Despite its affluent reputation, Orange County has significant pockets of poverty where low-income households struggle to afford many basic needs, including nutrition and medical coverage. Serve the People (STP) provides food, clothing, medical care, and legal assistance, giving a hand up, and not just a hand-out. Since its founding in 2008, STP has centered its programs on the needs of the residents in Central Santa Ana, providing a trusted resource for people who have nowhere else to go for their healthcare.

**Impact:**

A donation would assist their program

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	3,806,518	100.0%	
Other			
Total Revenue:	<u>\$3,806,518</u>	<u>100.0%</u>	
Expenses:			
Program	\$3,662,495	98.7%	
Administration	41,286	1.1%	
Fund Raising	<u>7,464</u>	<u>0.2%</u>	
Total Expenses:	<u>\$3,711,245</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$95,273</u>		
Net Assets:	<u>\$188,706</u>		

BOD: Angel Carrazco; Jose Antonio Fermin; Craig G. Myers; Nicolette Ortega; Paul Widenmann; Dimitri Sirakoff; S. Russell English; Robert Ingraham; Walter (Dima) Martinovich

Spirit Awakening Foundation

PO Box 11643

Marina del Rey , CA 90295

www.spiritawakening.org

County

Los Angeles

FEIN

95-4585425

Founded: 1995

Previous Donation: ☐ Yes ☒ No

List Date 7/19/2013

**Mission:**

Writes of Passage - The Writes of Passage curriculum is the cornerstone for all Spirit Awakening programs. Students advance through three levels, usually over a twelve to sixteen week period.

Tools of Empowerment Program - The Spirit Awakening Foundation has a grant contract with the Los Angeles County Probation Department to provide gender specific services in six middle schools. This program reached 350 at-risk girls with the core program, tutoring, mentoring, cultural and recreational activities, mother-daughter events, and speakers. School attendance, self-esteem, and grades improved significantly.

Juvenile Detention Camp Program - About three times a year Spirit Awakening delivers Writes of Passage to incarcerated youth. They are there for many reasons- truancy, gang activity, drug abuse, prostitution; many have been physically, emotionally or sexually abused. They learn life skills, improve communication, set goals, build self-esteem and commit to service.

**Impact:**

A donation will provide funding for the programs that are provided.

**Financial Information:** IRS Form 990 for FY 2011

Revenues:	Amount	%	Notes
Government/Earned			They had a negative \$43,359 in Net Assets in the prior year so the excess of revenue over expenses put them back in the black.
Contributions	177,651	100.0%	
Other			
Total Revenue:	<u>\$177,651</u>	<u>100.0%</u>	
Expenses:			
Program	\$97,925	94.2%	
Administration	6,006	5.8%	
Fund Raising			
Total Expenses:	<u>\$103,931</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$73,720</u>		
Net Assets:	<u>\$30,361</u>		

BOD: Akuyoe Graham; Daniel Damah; Natalie Gluck; Judy Nieh

The Eugene A. Obregon / Latino Medal of Honor Campaign

6953 Trolley Way

Playa del Rey , CA 90293

obregoncmh.org

County

Los Angeles

FEIN

95-4457163

Founded: 1993

Previous Donation: ☐ Yes ☒ No

List Date 10/11/2013

**Mission:**

The Foundation was co-founded on September 16, 1993, by three World War II veterans: William D. Lansford, Al Flores, and Pete Valdez, as a charitable 501(c)(3) non-profit, tax-exempt Foundation (IRS # 95-4457163). It is dedicated to erecting a monument to the 40 Latin American recipients of America's highest military award, the Congressional Medal of Honor.

**Impact:**

A donation would go to the erection of the monument.

**Financial Information:** IRS Form 990-EZ for FY 2009

Revenues:	Amount	%	Notes
Government/Earned			The organization may not have had enough revenues to require a filing of information after 2009
Contributions	15,388	100.0%	
Other			
Total Revenue:	<u>\$15,388</u>	<u>100.0%</u>	
Expenses:			
Program	\$40,881	100.0%	
Administration			
Fund Raising			
Total Expenses:	<u>\$40,881</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$25,493)</u>		
Net Assets:	<u>\$55,138</u>		

BOD: William Douglas Lansford; Christopher J. Kinsman; Diana M. Turnacliff; Keith Jeffreys; Jim Proser; Alexander Flores; Pete Valdez; Frank Juarez; Clara Juarez

Twin Lakes Food Bank

327 Montrose Drive

Folsom , CA 95630

twinlakesfoodbank.org

County

Sacramento

FEIN

68-0225605

Founded: 1986

Previous Donation: ☐ Yes ☒ No

List Date 3/21/2014

**Mission:**

What We Do - We're More than a Food Bank.

The Twin Lakes Food Bank is an extension of God's love to people that are hurting. For over 27 years the Food Bank has served families in need with supplemental food and clothing. Hard times can happen to anyone and your support ensures that help will be available to those who need it. The Food Bank has opened it's heart to thousands of your neighbors.

**Impact:**

Any donation would go to support their program.

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	448,012	99.9%	
Other	275	0.1%	
Total Revenue:	<u>\$448,287</u>	<u>100.0%</u>	
Expenses:			
Program	\$268,039	68.5%	
Administration	123,279	31.5%	
Fund Raising			
Total Expenses:	<u>\$391,318</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$56,969</u>		
Net Assets:	<u>\$448,931</u>		

BOD: Dennis Mandigo; Beth Carlsen; Cathy Stevens; Tammy Thompson; Bill Corley; Sharon G. Fait; Larry Hafenstein; Jane Hindmarsh; Ian Cornell; Carl Lysgaard

Wellspring Women's Center

3414 4th Avenue

Sacramento , CA 95817

www.wellspringwomen.org

County

Sacramento

FEIN

91-1752615

Founded: 1987

Previous Donation: ☐ Yes ☒ No

List Date 3/21/2014

**Mission:**

Wellspring Women's Center is open Monday through Friday. It offers a nutritious breakfast meal, mental health counseling, referrals for needed services, and more. Wellspring has a strong commitment to working closely with other local agencies so that services are not duplicated, and local resources are maximized for the health and well-being of all.

Wellspring Women's Center is a nondenominational, nonprofit organization founded in 1987 by two sisters of social service with the mission to nurture the innate goodness and personal self esteem of women and their children. Wellspring started from humble beginnings and has grown to become a trusted neighborhood gathering place that reduces isolation and loneliness. We serve over 200 women and their children every week day, providing a nutritious breakfast, free counseling and safety net services.

**Impact:**

A donation would assist the organization in continuing their services

**Financial Information:** IRS Form 990 for FY 2012

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	594,149	94.0%	
Other	<u>37,819</u>	<u>6.0%</u>	
Total Revenue:	<u>\$631,968</u>	<u>100.0%</u>	
Expenses:			
Program	\$592,380	83.3%	
Administration	48,425	6.8%	
Fund Raising	<u>70,242</u>	<u>9.9%</u>	
Total Expenses:	<u>\$711,047</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>(\$79,079)</u>		
Net Assets:	<u>\$996,208</u>		

BOD: Annette Bachmeier; Katelyn Downey; Sister Judy Illig, IBVM; Si Si Lee; David McMurchie; Janet Van Sicklen; Charlene Singley; Nileen Verbeten; Matt Yancey



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## **PROCEDURAL ITEMS FOR THE CFPP SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CFPP, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES**  
**CALIFORNIA FOUNDATION FOR PUBLIC FACILITIES**  
**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**AND CERTAIN AFFILIATES**

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**POLICY AND PROCEDURES FOR DEALING WITH  
CONFLICT OF INTEREST ISSUES**

**Article I**

**Purpose**

The purpose of this Policy and Procedures for Dealing with Conflict of Interest Issues (“Policy”) is to protect the interests of the California Foundation for Stronger Communities (the “CFSC”), the California Foundation for Public Facilities (the “FoundationCFPF”), the California Municipal Finance Authority (the “CMFA”) or and any Affiliates (defined in Section 1, below, and together with the CFSC, the CFPF and the CMFA, the “Covered Entities”) when it is considering a transaction or arrangement that might benefit the private interest of any director, officer, employee or consultant of ~~the Foundation or an Affiliate~~any Covered Entity. Foundation-Covered Entity Directors, officers, employees, attorneys and consultants all serve the charitable and educational mission of ~~the Foundations~~such Covered Entity.

Decisions about ~~Covered Entity Foundation~~Covered Entity Foundation operations and the use or disposition of ~~Covered Entity Foundation~~Covered Entity Foundation assets should be made, and should appear to be made, to further the mission of the ~~Covered Entity Foundation~~Covered Entity Foundation and not for private profit or other personal benefit to the individuals affiliated with ~~Covered Entity Foundation~~Covered Entity Foundation who take part in those decisions. Directors, officers, employees, attorneys and consultants all have an obligation to conduct the affairs of the ~~Covered Entity Foundation~~Covered Entity Foundation in a manner consistent with the ~~Covered Entity Foundation~~Covered Entity Foundation’s mission and to render advice and make decisions in the best interests of the ~~Covered Entity Foundation~~Covered Entity Foundation.

The Policy is intended to supplement but not replace any ~~applicable~~California laws governing conflicts of interest applicable to nonprofit and charitable corporations and governmental entities, respectively. The Policy shall be interpreted and, as necessary, modified, to comply with all applicable rules, regulations and laws.

**Article II**

**Definitions**

**1. Affiliate**

An “Affiliate” of a Covered Entity means (A) (i) any entity (whether governmental, for-profit or non-profit) in which the ~~Covered Entity Foundation~~Covered Entity Foundation owns or controls (directly or indirectly) a majority stock, partnership, or membership interest, (ii) and any entity in which a



minority interest is owned (directly or indirectly) by the Covered Entity Foundation if substantially all of the financial consideration for the transaction at issue is provided by the Covered Entity Foundation or (iii) any entity in which the Covered Entity directly or indirectly controls the appointment and removal of a majority of the seats on the governing board, and (B) the governing board of which has adopted this Policy by resolution. The Covered Entities Foundation and all Affiliates are, where appropriate in the context of the provision, hereinafter collectively referred to as the Covered Entities.

## 2. Interested Person

An “interested person” is any person or entity, including but not limited to a Foundation Covered Entity director, officer, employee or consultant, who has a direct or indirect Financial Interest or a direct or indirect Personal Interest, as defined below, or is or, at any time during the five year period immediately preceding the transaction or arrangement was, in a position to exercise substantial influence over the affairs of the Covered Entity Foundation. If a person is an interested person with respect to any Affiliate of a Covered Entity, he or she is an interested person with respect to the Covered Entity Foundation and each Affiliate thereof.

## 3. Disinterested Director

A “disinterested director” is any Covered Entity Foundation director who, for purposes of a particular transaction or arrangement, is not (a) an interested person, (b) related to an interested person or (c) controlled by an interested person. A director will not be a disinterested director if the director is a party to a reciprocal arrangement with ~~the~~ an interested person either formal or informal, written or unwritten, under which the interested person has approved or will approve a transaction or arrangement between the director and the Covered Entity Foundation or any other person or entity.

## 4. Financial Interest

A person has a “Financial Interest” if (1) he or she, (2) any member of his or her family (as defined below), or (3) an enterprise related (see definition of “related enterprise” below) to him or her or to a member of his or her family, directly or indirectly,

- a. is contemplating, is negotiating, or has entered into a transaction or other arrangement with the Covered Entity Foundation, or
- b. is contemplating acquiring, or has, an ownership or investment interest in any entity with which the Covered Entity Foundation has or is negotiating a transaction or arrangement, or
- c. is contemplating entering into, or has a compensation arrangement (whether as an employee, director, director, or independent contractor) with the Covered Entity Foundation or with any entity or individual with which the Covered Entity Foundation has or is negotiating a transaction or arrangement, or

- d. may receive a financial or other material benefit from knowledge of proprietary or other privileged or confidential information obtained by such person in the course of working for or with the Covered Entity~~Foundation~~, or
- e. is contemplating acquiring, or has an interest in an entity or enterprise which is in competition with an entity or enterprise that is seeking to enter, or has entered, into a transaction or arrangement with the Covered Entity~~Foundation~~—if that person’s relationship with the Covered Entity~~Foundation~~ provides him or her access to proprietary or other privileged or confidential information that could benefit the organization in which he or she has, or is contemplating acquiring, an interest.

\_\_\_\_\_ Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

\_\_\_\_\_ A ~~financial interest~~Financial Interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a Financial Interest~~financial interest~~ may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

## **5. Personal Interest**

A person has a “Personal Interest” in a transaction or arrangement if (1) he or she, (2) any member of his or her family (as defined below), or (3) an enterprise related (see definition of “related enterprise” below) to him or her or to a member of his or her family, directly or indirectly,

- a. has sought or received or will seek or receive recognition of any kind beyond any recognition of the Covered Entity for the transaction or arrangement,
- b. has sought or received or will seek or receive non-monetary benefits from the counterparty to the transaction or arrangement beyond the benefits available to the general public or local community, or
- c. has sought or received or will seek or receive non-monetary advantages as a result of the transaction or arrangement beyond the non-monetary advantages available to the general public or local community.

A Personal Interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a Personal Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

**56. Family**

The term “family” includes an individual’s spouse, parents, siblings, children, grandchildren, and any other person related to such individual by blood, marriage or adoption that resides in the same household as such individual.

**67. Related enterprise**

The term “related enterprise” (and reference to an enterprise related to a person) means any corporation, partnership, limited liability company, trust, unincorporated association, organization or other enterprise (of a business or charitable nature or otherwise) with respect to which a person (1) is a director, officer, member, partner, employee or consultant, or (2) is in a position to exert control or significant influence as a result of such person’s financial or other interest in such entity or enterprise.

**8. Transaction or arrangement**

The term “transaction or arrangement” means any transaction, arrangement or communication with or on behalf of a Covered Entity and includes, without implied limitation, any grant or donation by or from a Covered Entity and any communications with grant recipients of the Covered Entity, applicants for benefits or assistance from the Covered Entity, and current or prospective members or directors of the Covered Entity.

**Article III**

**Disclosure of Policy/Annual Statements**

**1. Disclosure of Policy**

Each Covered Entity Foundation director, officer, employee and consultant shall ~~annually~~ sign a statement that affirms that such person--

- a. has received a copy of the Policy,
- b. has read and understands the Policy,
- c. understands that these procedures apply to all committees and subcommittees with board-delegated powers,
- d. understands that, if applicable, the Covered Entity Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes,
- e. acknowledges that, in working with and for the Covered Entity Foundation, he or she has an obligation to conduct the affairs of the Covered Entity Foundation in a

manner consistent with the ~~Covered Entity~~Foundation's mission and to render advice and make decisions in the best interests of the ~~Covered Entity~~Foundation, and

- f. has agreed to comply with the Policy.

This Article shall not apply to employees ~~or contractors~~ whose responsibilities are determined by the Board of Directors to be solely administrative in nature.

#### Article IV

##### Procedures For Addressing Conflicts of Interest

###### 1. Duty to Disclose

- a. Each director, officer, employee and consultant shall ~~submit an annual statement~~disclose to the Board of Directors ~~disclosing~~any Financial Interest ~~or Personal Interest~~ with respect to any proposed or ongoing ~~Foundation-Covered Entity~~ transaction or arrangement, ~~either in an open session of a regular or special meeting of the Board of Directors, or in writing to the President or Chair of the Board of Directors.~~
- b. In addition, if any such director, officer, employee and consultant becomes aware of a potential Financial Interest ~~or Personal Interest~~ with respect to a proposed ~~Covered Entity Foundation~~ transaction or arrangement, he or she shall promptly notify the President ~~and/or the Chairman~~ of the Board of Directors of such potential Financial Interest ~~or Personal Interest~~.
- c. In connection with any actual or possible conflict of interest, an interested person must be given the opportunity to disclose all material facts to the Directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

###### 2. Determining Whether a Conflict of Interest Exists

- a. The Board of Directors shall review ~~such annual disclosure statements and any such reports made during the year~~any disclosures of Financial Interests and Personal Interests and make such further investigation as it deems desirable. The Board of Directors may designate other persons who are not interested persons to assist in such investigation.
- b. After disclosure of a potential Financial Interest ~~or Personal Interest~~ and all material facts, the interested person shall leave the board or committee meeting while the question of whether a conflict of interest exists is discussed and voted upon by the Disinterested Directors. The Disinterested Directors shall decide if a conflict of

interest exists. An interested person may make a presentation at the board or committee meeting but, after such presentation, must leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the potential conflict of interest.

- c. If a majority of the Board of Directors are interested persons with respect to a particular matter, then the disinterested Directors of the ~~Foundation-Covered Entity~~ shall appoint a special Conflict of Interest Committee of non-interested persons to review such matter. The Conflict of Interest Committee shall report directly to the disinterested Directors. Any matter that is referred to the Conflict of Interest Committee must be approved by a majority of the disinterested Directors before being entered into by the ~~Covered Entity~~Foundation.
- d. All statements and other information reported by interested persons relating to a conflict of interest shall be maintained on a confidential basis, subject to compliance with applicable law. The Board of Directors and/or Conflict of Interest Committee shall undertake its reviews to protect the interests of the ~~Covered Entity~~ Foundation and its Affiliates in accordance with applicable law.

### 3. Procedures for Addressing the Conflict of Interest

- a. If the Disinterested Directors or Conflict of Interest Committee determines that a conflict of interest exists, the Disinterested Directors or Conflict of Interest Committee shall determine by a majority vote whether
  - (i) the transaction or arrangement is in the ~~Covered Entity~~Foundation's best interest and for its own benefit,
  - (ii) the transaction or arrangement is fair and reasonable from the perspective of the ~~Covered Entity~~Foundation, and
  - (iii) the ~~Covered Entity~~ Foundation is unable to obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances.

If the Disinterested Directors or Conflict of Interest Committee decides that any of the criteria set forth in items (i), (ii) and (iii) have not been satisfied, the ~~Covered Entity~~ Foundation will not enter into the transaction or arrangement.

If the Covered Entity has been legally committed to the transaction or arrangement prior to the disclosure of the Financial Interest or Personal Interest, the Disinterested Directors or Conflict of Interest Committee may take or recommend any action as it determines in its discretion, subject to applicable law and the governing documents of the Covered Entity.

- b. In determining whether a transaction or arrangement is fair and reasonable to the ~~Covered Entity~~Foundation, the Disinterested Directors or Conflict of Interest Committee shall obtain and review (where appropriate, taking into account the materiality of the transaction or arrangement) one or more (i) appraisals of the fair market value of the transaction or arrangement, (ii) offers from comparable competing entities, (iii) studies of compensation arrangements, or (iv) reports or studies from independent parties who have a demonstrated expertise in valuing or analyzing the fairness of such a transaction or arrangement.
- c. If the transaction involves the payment of compensation to an interested person, of an amount considered by the Disinterested Directors or Conflict of Interest Committee to be material, then the Directors or committee shall secure data regarding comparable third-party arrangements. Such comparables, to the extent possible, shall reflect compensation arrangements entered into by tax-exempt institutions of comparable size or revenue to the ~~Covered Entity~~Foundation. ~~To the extent the transaction involves an Affiliate, the comparable third-party data shall reflect compensation arrangements entered into by institutions that are comparable in size or revenue to the Affiliate.~~ The Directors or committee shall consider such comparable data when making its determinations under paragraph a. above. Further, if the proposed transaction involves the sale or acquisition of tangible property of a material value, the Committee may secure one or more appraisals of such property, as appropriate. The Committee shall consider any obtained appraisals when making the determination under paragraph a. above.
- d. In the discretion of the Disinterested Directors or Conflict of Interest Committee, the interested person may be present at board or committee meetings for the purpose of responding to inquiries by the board or committee members with respect to the transaction or arrangement, but shall not be present during the final consideration of, and may not vote on, such transaction or arrangement, and shall not be counted for purposes of a quorum.
- e. In its discretion, the Disinterested Directors or Conflict of Interest Committee, after exercising due diligence, may determine whether the ~~Covered Entity~~ Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

#### 4. Violations of the Conflicts of Interest Policy

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ~~—~~b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee

determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Corrective action shall include undoing the transaction or arrangement to the extent possible and taking any additional measures necessary to place the Covered Entity Foundation in a financial position that is not worse than the position the Covered Entity Foundation would be in if the member had dealt with the Covered Entity Foundation under the highest fiduciary standards.

The board or committee may take any other disciplinary or corrective action as it may determine in its discretion, subject to the terms of the articles of incorporation, bylaws or other organizational documents and by applicable laws.

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## 5. Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain --

- a. the names of the persons who disclosed or otherwise were found to have a financial interest Financial Interest or Personal Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest or Personal Interest financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.
- c. If appraisals (for tangible property) or third-party comparable data (for compensation) were considered by the Disinterested Directors or Conflict of Interest Committee, the nature and source of the data.

## Article V

### Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ~~the a Covered Entity Foundation~~ for services is precluded from voting on matters pertaining to that member's compensation.

## Article VI

## Periodic Reviews

To ensure that ~~the Foundation~~ each applicable Covered Entity operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether any transactions or other arrangements to which the Covered Entity ~~Foundation~~ is a party further the Covered Entity ~~Foundation~~'s charitable purposes and do not result in private inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Covered Entity ~~Foundation~~'s charitable purposes, and do not result in private inurement or impermissible private benefit.

## Article VII

### Use of Outside Experts

In conducting the periodic reviews provided for in Article VI, the Covered Entity ~~Foundation~~ may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Directors of their responsibility for ensuring that periodic reviews are conducted.

## Article VIII

### Additional Requirements

1. Each director, officer, employee and consultant of a Covered Entity shall place the Covered Entity's interests above their personal interests. A Covered Entity's activities may involve, among other things, designation of financial grants to non-profit and public entities throughout the state and decisions that could affect whether and which communities receive financing assistance for economic development, charitable activities or other public purposes, or other direct or indirect benefits provided by the Covered Entities. Each director, officer, employee and consultant has a particular responsibility to exhibit the highest ethical standards and behavior in connection with such donations, grants and other decisions.

2. Each director, officer, employee and consultant of a Covered Entity must avoid situations in which it might appear that personal interests are being served or financial benefits gained in any communications or dealings with grant recipients or grant candidates, financing

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transaction participants of the Covered Entity, officials of the members or prospective members of the Covered Entity, or any others with whom the Covered Entity has engaged or is reasonably likely to engage in a transaction or arrangement. Each director, officer, employee and consultant of a Covered Entity shall refrain from seeking to further his or her personal or financial interests or those of a family member or related enterprise in any communications or dealings with grant recipients or grant candidates, financing transaction participants of the Covered Entity, officials of the members or prospective members of the Covered Entity, or any others with whom the Covered Entity has engaged or is reasonably likely to engage in a transaction or arrangement.

3. Board members must distinguish clearly in their actions and statements between their personal philosophy and attitudes and those of the Covered Entities, acknowledging the formal position of the board even if they personally disagree.

4. Board members must respect the confidential nature of business while being aware of and in compliance with applicable laws governing freedom of information, conflicts of interest and fair political practices.

5. To avoid even the appearance of impropriety, a director, officer, employee or consultant shall not appear at a grant presentation, appreciation event, ribbon-cutting or ground-breaking ceremony or the like unless the full board has been invited to attend (but may do so as a representative of the board as provided below). Family members of any director, officer, employee or consultant shall not attend any such presentation, event or ceremony. Board members must clearly indicate to grant recipients that all donations are based on approval of the board and shall not take personal credit for themselves, any related enterprise or any member of their family. The board may authorize individual board members to represent the board from time to time at such a presentation, event or ceremony. Individual board members should avoid direct solicitation of new business, new members and new directors except at the direction of a quorum of the board. Individual board members should avoid direct participation in individual financing transactions except at the direction of a quorum of the board.

6. No active member of the public finance industry shall be permitted to be a board member, except active government employees.

## Article VIII

### Additional Requirements

Once adopted by resolution of the governing board of a Covered Entity, this Policy shall remain in effect for such Covered Entity until amended or rescinded by subsequent resolution. Violations of this Policy by a board member and the penalties therefor shall be determined by the remaining members of such board, subject to the terms of the articles of incorporation, bylaws or other organizational documents and by applicable laws.

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## **PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CMFA, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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## **PACIFIC POINTE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:      AMCAL Enterprises, Inc.

Action:          Initial Resolution

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

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

Activity:         Affordable Housing

Meeting:         March 21, 2014

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### **Background:**

AMCAL strives to develop high-quality, service and amenity-enriched housing for families and individuals at all ranges of the economic spectrum, from special needs to homeownership. Further, it is their mission to seize advantage of their vertically integrated companies: Development, Construction and Asset Management, to ensure that the developments are created in the most economically and ecologically efficient manner. It is their commitment to continue to deliver the highest quality possible at each and every community developed by AMCAL.

AMCAL is one of the most active and financially strongest affordable housing developers in the state. AMCAL has completed to occupancy 42 affordable apartment and workforce condominium developments with 3,717 restricted units throughout California since 1998. In addition, 402 units are under construction in 8 developments through 2013. All affordable apartments were funded by 4% or 9% tax credits, and reserved for very low and low-income households (30-60% of the County's Area Median Income).

### **The Project:**

The Pacific Pointe Apartments is a new construction multifamily affordable housing project. The planned project includes 60 affordable housing units (one, two and three bedroom units) and will be restricted 60% of AMI. The project is located at 350 Friedell Street, San Francisco, CA 94124. The project will include a basement garage with 45 parking spaces, a community garden, central

courtyards, a community room and residential common areas. The financing of this project will result in the creation of 60 affordable apartments for the next 55 years.

The City & County of San Francisco:

The City & County of San Francisco is a member of the CMFA and held a TEFRA hearing on March 19, 2014. Upon closing, the City & County is expected to receive approximately \$11,875 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 19,000,000
Deferred Developer Fee:	\$ 1,975,000
Residual Receipt Loan:	\$ 3,895,150
Equity:	<u>\$ 3,750,565</u>
Total Sources:	\$ 28,620,715

Uses of Funds:

New Construction:	\$ 20,937,399
Architectural & Engineering:	\$ 1,328,746
Legal, Professional:	\$ 100,000
Loan interest and Permit Fees:	\$ 841,418
Contingency Costs:	\$ 1,241,463
Soft Costs:	\$ 1,308,974
Developer Fee:	\$ 2,500,000
Cost of Issuance:	<u>\$ 362,715</u>
Total Uses:	\$ 28,620,715

Terms of Transaction:

Amount:	\$20,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement
Estimated Closing:	July 2014

Public Benefit:

A total of 60 households will be able to enjoy high quality, independent, affordable housing in the City of San Francisco. Amenities at the complex will include a common community kitchen, fitness center, and basement parking. The construction of this project will provide affordable living in the City of San Francisco for 55 years.

Percent of Restricted Rental Units in the Project: 100%  
100% (60 Units) restricted to 60% of area median income households  
Unit Mix: 1, 2, & 3 bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Bocarsly Emden LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$20,000,000 for the Pacific Pointe Apartments affordable housing project located in the City of San Francisco, San Francisco County, California.

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