



SHARMON PALMS LANE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	MidPen Housing Corporation
Action:	Initial Resolution
Amount:	\$11,000,000 (Not to Exceed)
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Campbell, County of Santa Clara, California
Activity:	Affordable Housing
Meeting:	December 13, 2013

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 ninth transaction with Mid-Peninsula Housing Coalition.

The Project:

The Sharmon Palms Lane Apartments project is an acquisition/ rehabilitation of a 60-unit affordable multifamily rental housing facility located at 739, 751, 775, 844, 858, 870, 886, 898, 910, 949, 952, 961, 964, 975 and 989 Sharmon Palms Lane, Campbell, California. The project consists of two existing properties, Sharmon Palms and The Palms. The properties were first built in 1961 and rehabbed in 1989. Both projects are close to amenities for daily needs such as grocery stores, pharmacy and transit services. The units are restricted to households between 30-

60% of AMI. The financing of this project will result in the preservation of affordability for 59 apartments for an additional 55 years.

The City of Campbell:

The City of Campbell is a member of the CMFA and will need to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$6,875 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 10,500,000
Public Debt:	\$ 4,500,559
Sponsor Loan:	\$ 1,000,000
Deferred Developer Fee:	\$ 500,000
GP Capital Contribution:	\$ 199,000
Equity:	<u>\$ 1,000,000</u>
Total Sources:	\$ 17,699,559

Uses of Funds:

Land Acquisition:	\$ 1,300,000
Building Acquisition:	\$ 7,400,000
Rehabilitation:	\$ 4,903,113
Architectural & Engineering:	\$ 345,350
Legal, Professional:	\$ 286,500
Relocation:	\$ 738,000
Other Soft Costs:	\$ 1,610,970
Reserves:	\$ 337,050
Construction & Perm Financing:	\$ 356,638
Cost of Issuance:	<u>\$ 421,938</u>
Total Uses:	\$ 17,699,559

Terms of Transaction:

Amount:	\$11,000,000 (not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	June 2014

Public Benefit:

A total of 59 existing households will be able to continue to enjoy high quality, independent, affordable housing in the City of Campbell. Services at the complex will include parks, computer labs, onsite service manager, support programs and many educational programs for children and adults. The rehabilitation of this project will provide affordable living in the City of Campbell for an additional 55 years.

Percent of Restricted Rental Units in the Project: 98%
35% (20 Units) restricted to 30% or less of area median income households; and
50% (30 Units) restricted to 50% or less of area median income households; and
15% (9 Units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedroom units
Term of Restriction: 55 years

Finance Team:

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

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$11,000,000 for the Sharmon Palms Lane Apartments affordable housing project located in the City of Campbell, Santa Clara County, California.

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



THE CAMPHORA APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	South County Housing Corporation
Action:	Initial Resolution
Amount:	\$11,000,000 (Not to exceed)
Purpose:	Finance an Affordable Multi-Family Rental Housing Facility Located in Monterey County, California
Activity:	Affordable Housing
Meeting:	December 13, 2013

Background:

South County Housing is a nonprofit community development corporation. They operate in the California counties of Santa Clara, Santa Cruz, Monterey and San Benito. For 30 years, they have been in the business of building community through Affordable Housing Development, Property Management and Neighborhood Development. Since 1979, they've built 2,781 units, including 1,510 affordable apartments. Their buildings, which residents take pride in maintaining, have won national awards for their beauty and utility.

Their model of combining mixed income housing with on-site services addresses the unique needs of each community. When they build neighborhoods, they invest in their long-term success with recreational amenities, childcare facilities and community buildings with computer labs. Working with strong community partners, they bring in services that enhance the lives of their renters and homebuyers. The positive change in the lives of their residents is, and will continue to be, the real measure of South County Housing's success.

Along with their affiliates, South County Community Builders and South County Property Management, they provide tools and training for people to create their own neighborhoods.

The Project:

The Camphora Apartment is an acquisition/ rehabilitation of an affordable housing project. The Camphora Farmworker Labor Camp was constructed in the early 1960's as part of the Bracero program, which brought single migrant farmworkers into the US from other countries. The project has not been maintained very well over the years. South county Housing purchased the property in 2010 and plans to demolish the existing structures and replace them with forty-four apartments in four two story buildings. A 3,000 square foot community center will also be built, along with outdoor recreation areas. The community center includes a large multi-purpose room, computer lab, office, conference room, laundry facility and large patio area with barbeques. There will be 44 restricted rental units to those whose income is between 30-60% AMI. The project will be located at 32101 McCoy Road in the County of Monterey, California 93960. The construction of these new units will provide affordability for 55 years in the City of Soledad.

The County of Monterey:

The County of Monterey is a member of the CMFA and will need to hold a TEFRA hearing. Upon closing, the County is expected to receive approximately \$6,875 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 9,000,000
HOME, MHP & Dept. of Labor:	\$ 8,662,912
CDBG Funds:	\$ 1,255,000
Federal Home Loan Bank AHP:	\$ 430,000
Sponsor Capital Contribution:	\$ 1,063,169
Equity:	\$ 5,523,248
Total Sources:	\$ 25,934,329

Uses of Funds:

Land Acquisition:	\$ 1,758,000
New Construction:	\$ 10,090,704
Repayment of Construction Loan:	\$ 9,000,000
Architectural & Engineering:	\$ 761,700
Legal, Professional & Reserves:	\$ 222,500
Financing & Soft Contingency:	\$ 595,903
Reserves & Relocation:	\$ 1,312,443
Developer Costs and Fee:	\$ 1,718,169
Government & PG&E Fees:	\$ 376,766
Cost of Issuance:	\$ 98,144
Total Uses:	\$ 25,934,329

Terms of Transaction:

Amount:	\$11,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	August 2014

Public Benefit:

A total of 44 families will be able to enjoy high quality, independent, affordable housing in the County of Monterey. Services at the complex include a community center with a large multi-purpose room, computer lab, conference room and large playing fields.

Percent of Restricted Rental Units in the Project: 100%

23% (10 Units) restricted to 30% or less of area median income households; and
17% (8 Units) restricted to 35% or less of area median income households; and
16% (7 Units) restricted to 40% or less of area median income households; and
7% (3 Units) restricted to 45% or less of area median income households; and
23% (10 Units) restricted to 50% or less of area median income households; and
7% (3 Units) restricted to 55% or less of area median income households; and
7% (3 Units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2 & 3 bedroom units

Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Jones Hall APLC
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	TBD
Borrower Counsel:	Gubb & Barshay LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$11,000,000 for Camphora Apartments located in the County of Monterey, California.

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



MCCARTY MANOR APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Rural Communities Housing Development Corp.
Action:	Resolution
Amount:	\$3,400,000
Purpose:	Amendment of a Bank Loan and an Authority Loan for the Financing of an Affordable Housing Located in the City of Ukiah, County of Mendocino, California
Activity:	Affordable Housing
Meeting:	December 13, 2013

Background:

Rural Communities Housing Development Corporation ("RCHDC") was officially incorporated as a charitable non-profit corporation in November 1975. Initially, RCHDC was involved in developing housing projects involving low-income families, and low income elderly. It has expanded into operating a self-help housing program serving Lake, Mendocino, and Humboldt Counties. It also has developed a property management capability within the organization.

RCHDC's mission is to "provide decent, affordable housing to low and moderate income persons." RCHDC's success in carrying out its mission is evidenced by the following:

- It has built over 300 self-help homes under its home ownership program.
- It has developed and built over 600 units of multi-family low-income housing for elderly and families.
- It manages over 800 units of multi-family low-income housing for both elderly and families.
- It has another 105 units of affordable housing in construction or in the development phase.
- It has another 160 units of affordable housing that it is currently acquiring and rehabbing to maintain as affordable for the long term.

The agency has an extensive history of developing and managing housing projects. Besides developing the units referred to above, it contracts with other non-profits in developing housing projects, and provides supportive services to its elderly projects.

The agency has established fiscal and personnel management systems in place. There is an annual audit done on all of the projects operated by RCHDC. Reports are submitted to the RCHDC Board and all of the financing entities.

The Project:

The McCarty Manor Apartments is a 40 unit affordable multi-family development currently owned and managed by Rural Communities Housing Development Corporation (RCHDC). The Project consists of 8 two-story buildings with 8 one-bedroom, 12 two-bedroom and 20 three-bedroom units. There is uncovered parking for all the tenants. The landscaped areas have numerous oak trees, other trees, lawn and shrubs. There is a tot lot and playground on site. The tenants will enjoy a community building that houses the management offices, computer center, community room, and laundry facilities.

The project is funded with a USDA-RD 515 loan and includes project based Section 8 rental assistance contract for all 40 units. In order to complete the needed rehabilitation on the project, RCHDC proposes to sell the development to a limited partnership. RCHDC will serve as the project developer, and RCHDC's non-profit affiliate, Pine Gardens I, Inc., will serve as the managing general partner of the limited partnership. This multi-family complex is an At-Risk 515 USDA Rural Project. The financing will ensure that the project will stay affordable for another 55 years.

The Amendments:

(a) The Original Authority Loan Agreement is hereby amended by deleting the form of Authority Term Note and by inserting the form of the Authority's Amended and Restated Housing Revenue Note, 2012 Note A-1

(b) The Original Authority Loan Agreement is hereby amended by deleting the form of Authority Construction Note and by inserting the form of the Authority's Amended and Restated Housing Revenue Note, 2012 Note A-2. The Amended and Restated Authority Term Note and the Amended and Restated Authority Construction Note are referred to collectively as the "Amended and Restated Authority Notes".

The City of Ukiah:

The City of Ukiah is a member of the CMFA and held a TEFRA hearing on December 4, 2013. At the original closing, the City received \$2,125 as part of the CMFA's sharing of Issuance Fees.

Project Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 3,400,000	\$ 1,850,000
Deferred Developer Fee:	\$ 0	\$ 371,925
LIH Tax Credit Equity:	\$ 475,000	\$ 1,958,920
Direct & Indirect Public Funds (AHP):	\$ 1,127,819	\$ 1,527,819
Other (Carry-Back Loan Seller):	\$ 800,000	\$ 800,000
Other (Reserves):	\$ 95,821	\$ 95,821
Other (Post Construction Sources):	\$ <u>705,872</u>	\$ <u>0</u>
Total Sources:	\$ 6,604,512	\$ 6,604,485

Uses of Funds:

Land Acquisition:	\$	3,440,000
On & Off Site Costs:	\$	96,960
Hard Construction Costs:	\$	1,103,021
Architectural & Engineering:	\$	63,000
Contractor Overhead & Profit:	\$	125,998
Developer Fee:	\$	777,536
Relocation:	\$	70,000
Cost of Issuance:	\$	45,000
Capitalized Interest:	\$	142,000
Other Soft Costs:	\$	<u>740,197</u>
Total Uses:	\$	6,603,712

Terms of Transaction:

Amount:	\$3,400,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2013

Public Benefit:

The McCarty Manor Apartments will continue to provide 40 affordable apartments for low-income and very low income households. Ukiah's low-income community has a serious need for affordable housing. This project will continue to help supply the area with affordable housing for 55 years.

Percent of Restricted Rental Units in the Project: 100%

60% (24 units) restricted to 50% or less of area median income households; and

40% (16 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Finance Team:

Lender:	Savings Bank of Mendocino County
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Law Firm of Kathleen Johnson
Borrower Counsel:	Goldfarb & Lipman LLP
Borrower Consultant:	Fred Consulting Associates

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Resolution of \$3,400,000 for McCarty Manor Apartments located in the City of Ukiah, County of Mendocino, California.



SONOMA COURT APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Affirmed Housing Group
Action:	Final Resolution
Amount:	\$7,200,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Escondido, San Diego County, California
Activity:	Affordable Housing
Meeting:	December 13, 2013

Background:

The Affirmed Housing Group is a Southern-California based Affordable Housing Developer specializing in tax-credit and tax-exempt bond financed multi-family and single family developments. Areas of expertise include site selection, engineering, architecture, construction, relocation, and marketing. They also have extensive knowledge in public finance, low-income housing tax credit acquisition and tax- exempt bond financing. Through collaboration with civic leaders and private-sector financial partners, Affirmed Housing Group is dedicated to improving and sustaining the viability of California communities through the development of well-designed and professionally managed affordable housing

James Silverwood, President and CEO of Affirmed Housing Group has over 24 years of experience in the development and construction industry, and has extensive experience as general partner in partnerships with over \$500 Million of real estate development activity in the past 13 years.

Current development activities include new construction, as well as acquisition and substantial rehabilitation of family and senior apartment complexes throughout California and the mid-Atlantic U.S.

The Project:

The Sonoma Court Apartments is an acquisition/ rehabilitation project of an existing 61-unit LIHTC development that was constructed in 1978 and renovated in 1999. The property is located in the City of Escondido, County of San Diego. The project is comprised of seven two-story garden-style residential buildings. The unit configuration consists of one one-bedroom unit, 39 two-bedroom units and 21 three-bedroom units. All units will be restricted to residents with household incomes no greater than 60% of the Area Median Income. Of the total units, two of the two-bedroom units at 50% AMI will be set aside for clients referred from Developmental Disability Services and one of these units is set aside for a Housing Opportunities for Persons with AIDS (HOPWA) client. Also, one of the three-bedroom units at 60% AMI will be set aside for a HOPWA client. The site work will consist of grinding and replacing the exterior asphalt and installing curb for draining as well as replacing the fencing and back wall along the perimeter of the property; replacing the interior sidewalks and increased landscaping and configuration in the interior courtyard and front entrance. Rehabilitation will also consist of seismic retrofit in the tuck under parking, replacing the sheathing and roof, installing solar panels on the roof, replacement of stucco as well as exterior painting, repair of interior stairs, replacement windows and doors for energy efficiency, and installation of a new monument sign. The rehabilitation of the interiors of the units includes new flooring, replacing the cabinets, water heaters, bathtubs and fixtures. The project is located on 508 E. Mission Avenue, Escondido, California.

The County of San Diego:

The County of San Diego is a member of the CMFA and held a TEFRA hearing July 30, 2013. Upon closing, the County is expected to receive approximately \$4,500 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 7,200,000	\$ 0
Taxable Bond Proceeds:	\$ 0	\$ 4,600,000
Developer Equity:	\$ 467,867	\$ 467,867
LIH Tax Credit Equity:	\$ 1,332,423	\$ 3,932,423
Direct & Indirect Public Funds:	\$ 2,886,671	\$ 2,886,671
Other:	<u>\$ 350,039</u>	<u>\$ 350,039</u>
Total Sources:	\$ 12,237,000	\$ 12,237,000

Uses of Funds:

Acquisition / Land Purchase:	\$ 5,000,000
On & Off Site Costs:	\$ 1,045,055
Hard Construction Costs:	\$ 2,797,945
Architectural & Engineering:	\$ 165,000
Contractor Overhead & Profit:	\$ 357,000
Developer Fee:	\$ 1,395,000
Cost of Issuance:	\$ 200,000
Capitalized Interest:	\$ 697,000
Other Soft Costs (Marketing etc.):	<u>\$ 580,000</u>
Total Uses:	\$ 12,237,000

Terms of Transaction:

Amount:	\$7,200,000
Maturity:	17 years.
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	January, 2014

Public Benefit:

A total of 60 families will continue to be able to enjoy high quality, independent, affordable housing in the City of Escondido. Services at the complex will include a community room, central laundry facility, professional on-site management and areas.

Percent of Restricted Rental Units in the Project: 100%
42% (25 Units) restricted to 50% or less of area median income households; and
58% (35 Units) restricted to 60% or less of area median income households
Unit Mix: One-, two-, and three-bedrooms
Term of Restriction: 55 years

Finance Team:

Lender:	PNC Real Estate
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Alston & Bird LLP
Borrower Counsel:	Incorvaia & Associates
Financial Advisor:	Otero-Milich & Associates

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$7,200,000 for Sonoma Court affordable multi-family housing facility located in the City of Escondido, San Diego County, California.



EDEN HOUSE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Mercy Housing Corporation
Action:	Final Resolution
Amount:	\$12,310,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facilities Located in the City of San Leandro, Alameda County, California
Activity:	Affordable Housing
Meeting:	December 13, 2013

Background:

For nearly 30 years, Mercy Housing has been committed to developing affordable, program-enriched housing for low-income families, seniors and people with special needs who lack the economic resources to access quality, safe housing opportunities. They create homes that enrich and improve the communities in which they are located. They develop every property with an unwavering commitment to quality and value. To build their communities, Mercy Housing works with public, private and government partners and developers. To date, Mercy Housing has participated in the development, preservation and/or financing of more than 38,000 affordable homes and an additional 9,300 homes are in the pre-development, construction or concept phase.

Mercy Housing is working to create a more humane world where poverty is alleviated, communities are healthy and all people can develop their full potential. They believe that affordable housing and supportive programs improve the economic status of residents, transform neighborhoods and stabilize lives.

Mercy Housing California is one of their largest business centers. With offices in Los Angeles, San Francisco and West Sacramento, Mercy Housing California offers affordable low-income housing programs to more than 23,000 people at more than 125 properties. Residents include families, people with special needs and seniors.

Many California residents struggle daily with the high cost of living. The average household income is more than \$48,400 – nearly \$5,000 more than the national average. The average annual income of a Mercy Housing California resident is \$19,525.

The Project:

The Eden House Apartment project is an acquisition/ rehabilitation of a 116-unit apartment facility located at 1601 165th Street, in the City of San Leandro, California. The unit mix is comprised of 10 one-bedroom units, 72 two-bedroom units, 22 three-bedroom units, and 12 four-bedroom units. The proposed project will target families earning up to 60% of the area median income for Alameda County. Building improvements that are contemplated as part of the rehabilitation project include: landscaping, asphalt paving, painting exterior of buildings, new light fixtures in units, range hoods, ventilation in bathrooms, and new kitchen cabinetry. It is estimated that rehabilitation will start in January 2014 and will last twelve months. The rehabilitation of this project will provide affordability for another 55 years in the City of San Leandro.

The County of Alameda:

The County of Alameda is a member of the CMFA and held a TEFRA hearing on July 30, 2013. Upon closing, the County is expected to receive approximately \$7,694 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 12,310,000	\$ 3,566,000
Deferred Developer Fee:	\$ 164,221	\$ 164,221
LIH Tax Credit Equity:	\$ 664,757	\$ 6,647,573
Other (General Partner Loan):	\$ 0	\$ 3,750,000
Other (Seller Carryback Loan):	\$ 7,409,768	\$ 7,409,768
Other (Deferred Interest):	\$ 345,789	\$ 345,789
Other (Project Reserves):	\$ 263,396	\$ 263,396
Other (Income from Operations):	\$ 0	\$ 178,106
Total Sources:	\$ 21,157,931	\$ 22,324,853

Uses of Funds:

Acquisition/Land Purchase:	\$ 11,050,000
Total Hard Construction Costs:	\$ 5,623,162
Architect & Engineering Fees:	\$ 155,000
Contractor Overhead & Profit:	\$ 248,385
Developer Fee:	\$ 1,510,632
Relocation:	\$ 310,000
Cost of Issuance:	\$ 318,023
Capitalized Reserves:	\$ 958,458
Other Soft Costs:	\$ 2,151,193
Total Uses:	\$ 22,324,853

Terms of Transaction:

Amount:	\$12,310,000
Maturity:	17 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	December 2013

Public Benefit:

A total of 112 households will be able to continue to enjoy high quality, independent, affordable housing in the City of San Leandro. Services at the complex will include an onsite services coordinator and many educational programs for children and adults. The acquisition and rehabilitation of this project will provide affordable living in the City of San Leandro for an additional 55 years.

Percent of Restricted Rental Units in the Project: 81%

41% (46 Units) restricted to 50% or less of area median income households; and

41% (46 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:	Bank of the West
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Eichner, Norris & Neumann, PLLC
Borrower Counsel:	Gubb & Barshay, LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$12,310,000 for Eden House Apartments located in the City of San Leandro, County of Alameda, California.



CARITAS CORPORATION SUMMARY AND RECOMMENDATIONS

Applicant:	Caritas Acquisition I, LLC
Action:	Final Resolution
Amount:	\$ 70,000,000
Purpose:	Finance the Acquisition of Three Mobile Home Parks Located in the City of Lancaster, Lake County, and Refinance Five Mobile Home Parks in the Cities of Brea, Lancaster and Vista, California
Activity:	Affordable Housing (Mobile Home Park)
Meeting:	December 13, 2013

Background:

The Caritas Corporation is a California non-profit public benefit corporation. The mission of The Caritas Corporation is to own and operate affordable housing projects and create vibrant communities where quality of life, resident involvement and caring are priorities.

The Borrower for the Series 2013 Projects, Caritas Affordable Housing, Inc., was established on March 26, 1998 and is a California nonprofit public benefit corporation. The Borrower received a determination letter from the Internal Revenue Service as to its status as an organization described in Section 501(c)(3) of the Code dated October 24, 1996. The Borrower is an affiliate of The Caritas Corporation. Their goal is to own and operate affordable housing projects (mobile home parks) that help lessen the burden of local government by providing and maintaining affordable housing for persons of low income and means.

The Project:

The proceeds of the Bonds will be used: (1) to finance the acquisition of: (a) a 164 space mobile home park known as the Aztec Mobile Home Estates located at 7425 Church Street, Yucca Valley, California 92284; (b) a 123 space mobile home park known as the Desert Sands Estates Mobile Home Park located at 45111 25th Street East, Lancaster, California 93535; (c) a 70 space mobile home park known as the Sterling Shores Estates Manufactured Housing Community located at 5830 Robin Hill Road, Lakeport, California 95453;. (2) to refinance all or a portion of the Borrower's outstanding Independent Cities Lease Finance Authority Senior Lien Mobile

Home Park Revenue Bonds (Caritas Affordable Housing, Inc. Project) Series 2003A, the proceeds of which were used to finance the acquisition and improvement of: (a) a 464-space mobile home park known as the Friendly Village Mobile Home Park located at 1301 E. Avenue I, Lancaster, California 93535; (b) a 264-space mobile home park known as the Hacienda Mobile Estates located at 2330 East Avenue J-8, Lancaster, California 93535; (c) a 100-space mobile home park known as the Rancho Brea Mobile Home Estates located at 1414 West Central Avenue, Brea, California 92821; (d) a 107 space mobile home park known as Estrella de Oro located at 220 Camino Corto, Vista, California 92083; (e) a 159-space mobile home park known as the Vista Manor Mobile Home Park located at 200 Olive Avenue, Vista, California 92083; (3) to fund a debt service reserve fund; (4) to pay capitalized interest on the Bonds; and (5) pay certain expenses incurred in connection with the issuance of the Bonds.

Lake County and the Cities of Brea, Lancaster, Vista and Yucca Valley

The City of Brea held a TEFRA on December 3, 2013. The Lake County and the Cities of Vista and Lancaster held a TEFRA on December 10, 2013. The City of Yucca Valley will hold a TEFRA on December 17, 2013. Upon closing, the municipalities are expected to share approximately \$20,833 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Bond Proceeds- Series A&B:	\$ 70,000,000
Original Issue Discount:	\$ (1,228,373)
Prior Debt Service Reserve Fund:	<u>\$ 2,250,608</u>
Total Sources:	\$ 71,022,235

Uses of Funds:

Park Acquisition Costs:	\$ 19,600,000
Refunding Costs:	\$ 44,016,574
Debt Service Reserve Fund:	\$ 5,505,661
Cost of Issuance:	\$ 1,400,000
Reserve & Replacement Fund:	<u>\$ 500,000</u>
Total Uses:	\$ 71,022,235

Terms of Transaction:

Amount:	\$70,000,000
Rate:	Fixed
Maturity:	2048
Collateral:	Parity Deeds of Trust on property.
Bond Purchasers:	Institutional & Retail
Estimated Closing:	February 2014
Expected Rating:	Series A: BBB-; Series B: Non-Rated

Public Benefit:

Financing allows the residents to continue to enjoy affordable rents. There is a need of affordable housing in all of the project locations.

Aztec Mobile Home Estates:

Percent of Restricted Rental Pads in the Project: 20%

20% (61 of 164 total spaces) restricted to 50% or less of area median income household

Desert Sands Estates Mobile Home Park:

Percent of Restricted Rental Pads in the Project: 20%

20% (31 of 123 total spaces) restricted to 50% or less of area median income household

Sterling Shores Estates Manufactured Housing Community:

Percent of Restricted Rental Pads in the Project: 20%

20% (40 of 200 total spaces) restricted to 50% or less of area median income household

Friendly Village Mobile Home Park:

Percent of Restricted Rental Pads in the Project: 20%

20% (29 of 464 spaces) restricted to 50% or less of area median income household

Hacienda Mobile Estates

Percent of Restricted Rental Pads in the Project: 20%

20% (29 of 264 spaces) restricted to 50% or less of area median income household

Rancho Brea Mobile Home Estates

Percent of Restricted Rental Pads in the Project: 20%

20% (29 of 100 spaces) restricted to 50% or less of area median income household

Estrella de Oro

Percent of Restricted Rental Pads in the Project: 20%

20% (29 of 107 spaces) restricted to 50% or less of area median income household

Vista Manor Mobile Home Park

Percent of Restricted Rental Pads in the Project: 20%

20% (29 of 159 spaces) restricted to 50% or less of area median income household

Finance Team:

Underwriter:	Westhoff, Cone & Holmstedt
Bond Counsel:	Squire Sanders (US) LLP
Issuer Counsel:	Jones Hall, APLC
Underwriter's Counsel:	Quint & Thimmig LLP
Borrower Counsel:	Dzida, Carey & Steinman
Financial Advisor:	Sperry Capital Inc.
Trustee:	Wells Fargo Bank, N.A.
Rating Agency:	Standard & Poor's
Oversight Agent:	Wolf & Company Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$70,000,000 to finance the acquisition of three mobile home parks located in the City of Lancaster, Town of Yucca Valley, and Lake County, and refinance five mobile home parks in the cities of Brea, Lancaster and Vista, California



**LAUNCHPAD DEVELOPMENT COMPANIES ROCKETSHIP
SCHOOLS
PROJECT SUMMARY AND RECOMMENDATIONS**

Applicant:	Launchpad Development Company
Action:	Final Resolution
Amount:	\$35,000,000
Purpose:	Finance and Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of a Charter School Facilities for the Si Se Puede Academy, Brilliant Minds Elementary and RS-Jackson Ave. School, located in the City of San Jose, California.
Activity:	Charter School
Meeting:	December 13, 2013

Background:

Launchpad Development Company (the “Borrower”) is a California nonprofit public benefit corporation. The Borrower is a Section 501(c)(3) and 509(a)(3) entity under the Internal Revenue Code of 1986 as amended. By developing, owning and holding real estate projects for Rocketship Education, a California nonprofit public benefit corporation (“Rocketship Education” or “Rocketship”) in low income communities and communities where the local public schools are underperforming, the Borrower is a support corporation of Rocketship Education, the operator of a charter school network in San Jose, California. The Borrower expects to develop facilities only for Rocketship Education.

The Borrower’s mission is to develop, own and hold real estate projects for Rocketship Education in low income communities and communities where the local public schools are underperforming.

The Borrower is organized to hold title to property and manage, operate, lease and collect income therefrom to remit such income, less expenses and expenditures, to Launchpad. The Borrower is intended to be a disregarded entity for federal and applicable state tax purposes.

Each of Launchpad Development Two LLC (“Launchpad Two”), Launchpad Development Eleven LLC (“Launchpad Eleven”) and Launchpad Development Twelve LLC (“Launchpad Twelve” and, together with Launchpad Two, and Launchpad Eleven, the “Landlords”) are members of the Obligated Group. Each of the Landlords is organized as a California limited

liability company, the sole member of which is the Borrower. Launchpad Two was organized in 2008 and Launchpad Eleven and Launchpad Twelve were organized in 2012.

Each of the Landlords was formed for the purposes of holding title to property and managing, operating, and leasing property, collecting income therefrom, and conveying the entire amount of such income, less expenses and operating expenditures, to the Borrower. Each of the Landlords is intended to be a disregarded entity for federal income tax purposes and applicable state tax purposes.

The Project:

Launchpad Development Company has requested the issuance of the Bonds by the Authority to finance and/or refinance (1) the acquisition, construction, improvement and/or equipping of certain charter school educational facilities to be leased to Rocketship Education, a California nonprofit public benefit corporation, or to a related entity, and known or to be known as (i) Si Se Puede Academy, located in the City of San José, at 2249 Dobern Avenue, to be owned by Launchpad Development Two LLC, a California limited liability company, or a related entity, (ii) Brilliant Minds Elementary, located in the City at 2962 Story Road, on land owned by Alum Rock Baptist Church of San Jose, California, as ground lessor, and leased to Launchpad Development Eleven LLC, a California limited liability company, or a related entity, (iii) RS-Jackson Ave. School, a proposed school to be located in the City at 70 S. Jackson Avenue, to be owned by ANB Property Corporation, as ground lessor, and leased to Launchpad Development Twelve LLP, a California limited liability company, or a related entity, and on adjacent land expected to be purchased by LD12 from the City with proceeds of the Bonds; (2) certain expenses incurred in connection with the issuance of the Bonds; and (3) all or a portion of a reserve fund deposit, capitalized interest and related working capital.

Si Se Puede

Rocketship Education operates a kindergarten through fifth grade charter elementary school (“Rocketship Si Se Puede”) in the Si Se Puede Site and the Si Se Puede Facility pursuant to a Lease Agreement, by and between Launchpad Two and Rocketship Education.

Brilliant Minds

Rocketship Brilliant Minds was opened in August 2012 with enrollment of 180 students in Kindergarten through 2nd grade utilizing existing church buildings on the Brilliant Minds Site. Rocketship Brilliant Minds has a current enrollment of 444 at the existing facility. At completion, the Brilliant Minds Facility will accommodate up to 650 students, including grades K-5, and may also include a transitional kindergarten program.

Jackson

The “Jackson Project” when completed, the two structures will accommodate enrollment of 650 students and approximately 32 full time and part-time staff. Rocketship Education expects to open a kindergarten through fifth grade charter elementary school.

The City of San Jose:

The City of San Jose is a member of the CMFA and held a TEFRA hearing on December 10, 2013. Upon closing, the City is expected to receive up to \$10,833 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 32,570,000
Taxable Bond Proceeds:	\$ <u>800,000</u>
Total Sources:	\$ 33,370,000

Uses of Funds:

Project Fund:	\$ 27,467,077
Capitalized Interest:	\$ 1,607,084
Debt Service Reserve Fund:	\$ 2,953,962
Cost of Issuance:	\$ <u>1,341,877</u>
Total Uses:	\$ 33,370,000

Terms of Transaction:

Amount:	\$35,000,000
Maturity:	February 2043
Collateral:	Deed of Trust
Bond Purchasers:	Institutional
Offering:	Limited
Estimated Closing:	February 2014
Rating:	Unrated

Public Benefit:

Rocketship Education has pioneered the transformative Rocketship Model, which combines teacher development, parent empowerment and individualized learning to improve student achievement. The Academic performance at Rocketship schools has been exceptional, especially in comparison to overall school district performance, and to neighboring and regional schools.

The Schools are designed to serve students who are or may be at risk of achieving below basic proficiency on state exams. Each School is expected to attract children of parents who are seeking an alternative to their current educational system, who desire an innovative educational approach, and who share the vision of Rocketship Education.

Each of Rocketship Si Se Puede, Rocketship Brilliant Minds, and Rocketship Jackson will be located in a low income community in an area served by the Alum Rock Union Elementary School District in San Jose, California. These neighborhoods are designated as a distressed community based on its census tract location under the 2000 U.S. Census Survey. Each of the Schools anticipates that it will enroll primarily students from schools which are undergoing program improvement in conjunction with the Federal No Child Left Behind regulations.

Finance Team:

Underwriter:	De La Rosa & Co.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer's Counsel:	Jones Hall APLC
Underwriter's Counsel:	Stradling, Yocca, Carlson & Rauth PC
Borrower's Counsel:	SNR Dentons US LLP
Trustee:	Wells Fargo Bank, N.A.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$35,000,000 for the purpose of financing and refinancing the acquisition, construction, improvement, renovation and equipping of certain educational facilities located in the City of San Jose, California.



TOURO UNIVERSITY SUMMARY AND RECOMMENDATIONS

Applicant: Touro University California

Action: Final Resolution

Amount: \$21,000,000

Purpose: Refinance the Acquisition, Construction, Improvement and Equipping of Educational Facilities, Located in the City of Vallejo, County of Solano, California.

Activity: Private University

Meeting: December 13, 2013

Background:

Touro College, established in 1970, with facilities primarily located in the New York City Metropolitan area, has undergraduate programs offering bachelor and associate degrees; graduate programs offering masters degrees; and professional schools, including a Law School, a School of Health Sciences, a School of Osteopathic Medicine, and a School of Pharmacy. Touro University, a California corporation, has two divisions: Touro University California (“TUC”) and Touro University Worldwide (“TUW”). TUC, with facilities located in Vallejo, California, includes a College of Osteopathic Medicine, a College of Pharmacy and a College of Education and Health Sciences. TUW operates a distance-learning unit offering bachelor and masters degrees, and it has undergraduate programs offered by Touro College Los Angeles including bachelor degrees in business management and administration and psychology.

Touro, TU, TUN and NYMC are separate not-for-profit 501(c)(3) organizations. Touro is the sole member of TU and TUN and the Boards of Touro, TU and TUN are identical. Touro’s wholly-owned subsidiary, NYMC, LLC, is the sole member of NYMC and members of the Board of Touro form 1/3 of the Board of NYMC. The consolidated financial statements include the accounts and activities of Touro, TU, TUN, Touro University College of Medicine, Inc., Yeshiva Operations (Yeshivas Ohr Hachaim (YOC) and Rabbi Dov Revel Yeshiva of Forest Hills, Inc.), special-purpose entities, and supporting foundations.

Touro was established by Dr. Bernard Lander, who served as President and directed its mission and growth through 2009. In early 2010, Dr. Alan Kadish became President of the College after serving as senior provost and chief operating officer since late 2009. In less than 35 years, the System has grown from a small liberal arts college to an organization with 32 locations throughout the world; a combined enrollment of more than 18,500 full-time and part-time students and over 90,000 alumni; approximately 3,500 full and part time personnel, including

over 2,200 full time faculty and 1,300 part time faculty; and an operating budget in fiscal year 2013 of over \$465 million.

The Project:

The project is part of a large restructuring benefitting several campuses within the Touro University network. Proceeds from the CMFA Revenue Bonds (Touro University) Series 2014 will refinance the costs of the construction of certain capital improvements at the University's campus in Vallejo, California. Specifically proceeds will be used: (1) to finance and refinance the cost of refunding all or a portion of the Authority's Series 2010 Variable Rate Revenue Bonds (Touro University California Project – Series 2010 Bonds); which were for financing or refinancing a medical school consisting of six primary buildings and a number of auxiliary structures, the acquisition of the fee interest in the 44 acre campus located on Mare Island in Vallejo, California and the renovation of various existing facilities on such campus to provide for additional small group instructional space and clinical training observation rooms (2) to finance a reserve fund for the Bonds; and (3) to fund cost of issuance.

The County of Solano:

Solano County is a member of the CMFA and held a TEFRA hearing on December 7, 2010. The County will receive approximately \$8,500 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 18,440,000
Original Issue Discount:	\$ (180,086)
Premium:	\$ 469,544
Debt Service Fund:	\$ 9,783
Debt Service Reserve Fund:	\$ <u>2,374,300</u>
Total Sources:	\$ 21,113,540

Uses of Funds:

Refunding of Bonds:	\$ 19,574,783
Debt Service Reserve Fund:	\$ 1,234,210
Cost of Issuance:	\$ 172,414
Underwriters Discount:	\$ 129,080
Cost of Issuance:	\$ <u>3,054</u>
Total Uses:	\$ 21,113,540

Terms of Transaction:

Amount:	\$21,000,000
Rate:	Fixed
Maturity:	October 2040
Collateral:	Gross Revenue Pledge; Deed of Trust
Bond Purchasers:	Institutional & Retail Investors
Estimated Closing:	February 2014
Expected Rating:	Baa2, BBB

Public Benefit:

Touro University California is a rapidly expanding graduate education institution focusing on health careers and teacher preparation programs. Touro University is composed of two campuses. The main campus located in Vallejo, California and the branch campus in Henderson, Nevada. This University is one of more than 25 division campuses within Touro College, a Jewish sponsored not-for-profit educational system principally located in New York.

The 44 acre campus, shaded by eucalyptus trees and surrounded by San Pablo Bay, is a rare and tranquil site for this growing academic center. Current programs include a College of Osteopathic Medicine (providing the Doctor of Osteopathic Medicine Degree - D.O.), College of Health Sciences (providing a dual degree program in the Master of Science in Physician Assistant Studies and Master of Public Health - MPAS/MPH), College of Education (providing teacher preparation credentials and Master of Arts in Education programs), and a College of Pharmacy (offering the Pharm.D. Degree).

Finance Team:

Underwriter:	Stiffel, Nicolas & Company, Incorporated
Underwriter Counsel:	Bryan Cave LLP
Bond Counsel:	Hawkins Delafield & Wood LLP
Issuer Counsel:	Jones Hall APLC
Borrower Counsel:	Touro College – In House Counsel
Borrower’s Bond Counsel:	Orrick Herrington & Sutcliffe LLP
Borrower Financial Advisor:	Optimal Capital Group
Rating Agency:	Moody’s Investor Services, Standard & Poors
Trustee:	The Bank of New York Mellon Trust Company, N.A
Trustee Counsel:	Carter Ledyard & Milburn LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$21,000,000 of tax-exempt bonds to refinance the acquisition, construction, improvement and equipping of educational facilities for Touro University, located in the City of Vallejo, Solano County, California.



**SOUTHEASTERN CALIFORNIA CONFERENCE OF
SEVENTH-DAY ADVENTIST
SUMMARY AND RECOMMENDATIONS**

Applicant:	Southeastern California Conference of Seventh-Day Adventists
Action:	Final Resolution
Amount:	\$32,330,000
Purpose:	Refinance the Colorado Educational and Cultural Facilities Authority Adjustable Rate Demand Revenue Bond for Education Facilities Located in the City of Escondido and Loma Linda, California
Activity:	Education Facilities
Meeting:	December 13, 2013

Background:

The Southeastern California Conference of Seventh-day Adventist ("SCCSDA") is part of the Seventh-day Adventist Church which owns and operates schools, child development centers, churches, a retreat center and an administrative headquarters spread over the Counties of Imperial, Orange, Riverside, San Bernardino and San Diego. The SCCSDA currently has 150 churches with 66,000 members, and approximately 25 schools with four youth development centers. The SCCSDA also owns and operates a 360-acre ranch, known as "Pine Springs Ranch," which serves as a summer youth camp and year-round retreat center.

This financing will include two of SCCSDA's schools; "Loma Linda Academy," a grades K-12 educational facility located at 10656 Anderson Street, Loma Linda, California, which recently underwent the remodeling of the physics classroom, remodeling the high school gym lobby, entrance/parking reconfiguration, remodeling a classroom complex, building a new junior high school gymnasium, building a new campus core building, building a new campus quad area, building a new library, and making corresponding infrastructure changes; "Escondido Adventist Academy," a grades K-12 educational facility located at 1301 Deodar Road, Escondido, California, which received a new approximately 63,000 square feet grades K-12 school building including classrooms, computer and science laboratories, gymnasium, cafeteria/auditorium, administrative offices, library, outdoor playgrounds and athletic fields.

The Project:

The proceeds of the Bonds will be used by the Southeastern California Conference of Seventh-Day Adventists, a California nonprofit corporation to (i) refinance the Colorado Educational and Cultural Facilities Authority Adjustable Rate Demand Revenue Bonds, Series 2008 (Southeastern California Conference of Seventh-Day Adventists which were issued to finance capital expenditures at schools operated by the Borrower in the City of Loma Linda (in San Bernardino County) located at 10656 Anderson Street, Loma Linda and in the City of Escondido located at 1301 Deodar Road, Escondido, California.

The City of Escondido & County of San Bernardino:

The City of Escondido will become a member of the CMFA and will approve the project on December 11, 2013. The County of San Bernardino is a member of the CMFA and will approve the project on December 17, 2013. Upon closing, the City and County are expected to receive approximately \$10,388 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 32,330,000
Total Sources:	\$ 32,330,000

Uses of Funds:

Refunding of CECFA Bonds:	\$ 32,230,000
Cost of Issuance:	\$ 100,000
Total Uses:	\$ 32,330,000

Terms of Transaction:

Amount:	\$32,330,000
Maturity:	June 2037
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December, 2013

Public Benefit:

This transaction is being restructured from a LOC structure to a private placement to provide interest rate certainty and lower administrative expenses such as remarketing fees, trustee fees and letter of credit fees because of this refunding.

With the lower cost of capital the SCCSDA will be able to focus more fiscally on the 5,000 students that attend their 25 schools throughout California.

Finance Team:

Lender:	Bank of America, N.A.
Special Tax Counsel:	Mark Raymond Law
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Mark Raymond Law
Borrower Counsel:	Charles McKinstry (In-house Counsel)

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$32,330,000 for SCCSDA located in the Cities of Escondido and Loma Linda, California.



**ORDINANCE LEVYING SPECIAL TAXES WITHIN THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY
FACILITIES DISTRICT NO. 2013-1
SUMMARY AND RECOMMENDATIONS**

Action: Second Reading of the Ordinance Ordering Levying Special Taxes within California Municipal Finance Authority Community Facilities District No. 2013-1 (Tulare County PACE Program)

Purpose: Property Assessed Clean Energy (“PACE”)

Activity: PACE Financing and Refinancing of Energy Efficiency, Water Efficiency and Renewable Energy Generation Improvements

Meeting: December 13, 2013

Background:

PACE programs utilize a tool that is widely used by local agencies in California to finance public benefit projects: land-secured financing. State law has long provided cities and counties with the power to issue bonds or other debt (as defined in the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”)) and levy special taxes for financing public projects. PACE programs generally enable private property owners to finance the acquisition, installation or improvement of renewable energy, energy efficiency or water conservation improvements, and secure repayment of the financing through California’s property tax regime. Like other tax liens, the liens associated with PACE financings have repayment priority ahead of non-tax liens.

The CMFA is establishing a PACE program for Tulare County (the “Program”) by establishing a community facilities district within its boundaries (the “CFD”) under the alternative procedure established for PACE, under the Act, that is commonly referred to as SB 555.

Discussion:

The Government Code requires a second reading of the ordinance authorizing the levying of special taxes within the Community Facilities District at a rate approved by the individual property owner(s) of all voluntarily annexed parcel(s) within the CFD. As per the Government

Code, an executed copy of the Ordinance will be published in the local newspaper within 15 days of its passage. The Ordinance will then take effect 30 days after the final passage.

Proposed financings in the CFD will then be able to be approved separately by the Board as they arise.

Public Benefit:

PACE programs encourage energy efficiency, water conservation and diversifies energy sources all of which reduce the impact on existing infrastructure. Furthermore, PACE programs provide property owners with a low cost alternative to financing major energy efficiency improvements, water conservation or renewable energy retrofits. The program helps the economies of the communities we serve by creating new jobs and retaining existing jobs.

Recommendation:

The Executive Director Recommends that the CMFA Board of Directors approve the second reading of the Ordinance Ordering the Levying of Special Taxes the Community Facilities District located in Tulare County, California.