



WILLOWS SENIOR APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Pacific West Communities, Inc.

Action: Initial Resolution

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

Purpose: Finance Affordable Senior Rental Housing Project
Located in the City of Willows, Glenn County, California

Activity: Senior-Affordable Housing

Meeting: October 11, 2013

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 State. 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 will be the third transaction that the CMFA will participate on with Pacific West Communities.

The Project:

The Willows Senior Apartments will be a 49-unit affordable senior housing new construction project. The project will consist of 39 one bedroom units, 9 two bedroom units and a managers unit. The project will target seniors earning up to 45% of the area median income for Glenn County. The development consists of 2 buildings which will be wood framed supported by perimeter foundations with concrete slab flooring and vinyl siding. The project amenities will include an 1,800 square foot community center consisting of an office, maintenance storage space, computer center, laundry facilities, exercise room and a community / TV room with a kitchen. The development other onsite amenities includes centrally located mail delivery area, a swimming pool, a hot tub, community garden and a covered picnic area. Three handicap accessible units will serve disabled individuals. The project will be located at 1330 West Sycamore Street, City of Willows, California.

The City of Willows:

The City of Willows will need to become a member of the CMFA and hold a TEFRA hearing. Upon closing, the City is expected to receive approximately, \$5,000 as part of CMFA's Sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 6,000,000
HOME	\$ 1,500,000
Deferred Dev Fee	\$ 600,000
Equity:	<u>\$ 1,350,000</u>
Total Sources:	\$ 9,450,000

Uses of Funds:

Land Acquisition:	\$ 505,000
New Construction	\$ 5,333,930
Architectural & Engineering:	\$ 600,000
Legal and Professional:	\$ 321,070
Impact Fees:	\$ 1,100,000
Reserves	\$ 115,000
Developer Fee	\$ 1,100,000
Cost of Issuance	<u>\$ 375,000</u>
Total Uses:	\$ 9,450,000

Terms of Transaction:

Amount:	\$8,000,000 (not to exceed)
Maturity:	17 years.
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	February 1, 2014

Public Benefit:

A total of 49 seniors will now enjoy high quality, independent, affordable housing in the City of Willows. Services at the complex will include a 1,800 square foot community center consisting of an office, maintenance storage space, computer center, laundry facilities, exercise room and a community / TV room with a kitchen. The development incorporates an array of amenities including a centrally located mail delivery area, a swimming pool, a hot tub, community garden and a covered picnic area. This new construction of this project will provide affordable senior living for 55 years in the City of Willows.

Percent of Restricted Rental Units in the Project: 100%

100% (49 units) restricted to 45% or less of area median income households

Unit Mix: 1 & 2 bedrooms

Term of Restrictions: 55 year

Finance Team:

Lender:	TBD
Bond Counsel:	Orrick, Herrington & Sutcliffe
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 adopt an Initial Resolution of \$8,000,000 for the Willows Senior Apartments affordable senior housing project located in the City of Willows, Glenn County, California.

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



GARFIELD PARK VILLAGE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Christian Church Homes

Action: Initial Resolution

Amount: \$25,000,000 (Not to Exceed)

Purpose: Finance Affordable Senior Multi-family Rental Housing Facility Located in the City of Santa Cruz, Santa Cruz County, California

Activity: Affordable Senior Housing

Meeting: October 11, 2013

Background:

Christian Church Homes of Northern California (“CCH”) is a private nonprofit 501(c)3 California corporation whose mission is to “Provide Affordable Quality Housing in Caring Communities.” Founded by ecumenical and community groups in 1961, CCH has been proudly fulfilling this mission for 50 years. CCH currently manages 61 facilities in 23 California cities and five other states, providing over 5,200 apartments of service-enriched, quality affordable rental housing. Through their dedication to service-enriched senior housing, CCH’s volunteer Board of Directors and dedicated personnel make a difference in the lives of over 6,000 seniors and families on a daily basis.

Christian Church Homes’ purpose is to meet the housing and supportive service needs of low-income and minority seniors. The first CCH affordable senior facility, Garfield Park Village in Santa Cruz, California opened in 1964. Since then, CCH has developed 21 new HUD Section 202 projects and has acquired and rehabilitated five HUD-insured affordable senior complexes at risk of converting to market-rate housing. CCH is currently constructing 73 apartments for low-income and minority seniors in a funded Section 202 project in downtown Oakland. Additional current development activity includes the refinance and rehabilitation of four CCH-managed properties in the HUD senior portfolio.

All but two facilities in the CCH family serve elderly residents, with over 5,000 units reserved for low- and very low-income seniors. The residents range in age from 62 to over 100 years old, and reflect the ethnic, cultural, and religious diversity of their communities. On-site Supportive

Service Coordination and accessible, adaptable unit design exemplify CCH's commitment to the ideal of empowering seniors to remain independent. Many seniors in CCH facilities have been living in their apartment homes for over two decades.

The Project:

The Garfield Park Village Apartments is an acquisition/ rehabilitation project consisting of a 94-unit senior affordable rental housing project. The project will consist of studio, one- and two-bedroom apartments for seniors who earn at or below 50% of the area median income. The project includes private patios and balconies, a common area, outdoor courtyard, common laundry facilities and community facilities. The acquisition/ rehabilitation of this project will continue to provide housing for 94 senior households for another 55 years. The project is located in the City of Santa Cruz, Santa Cruz County, California

The City of Santa Cruz:

The City of Santa Cruz will need to become a member of the CMFA and hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$13,333 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 22,000,000
Deferred Developer Fee:	\$ 1,500,000
LIH Tax Credit Equity:	\$ 3,500,000
NOI during Operations:	\$ 1,251,508
Equity:	<u>\$ 2,000,000</u>
Total Sources:	\$ 30,251,508

Uses of Funds:

Land Acquisition:	\$ 10,597,705
Rehabilitation:	\$ 13,033,460
Architectural & Engineering:	\$ 843,000
Legal, Professional & Reserves:	\$ 914,168
Contingency & COI:	\$ 1,283,175
Relocation:	\$ 1,080,000
Developer Fee:	<u>\$ 2,500,000</u>
Total Uses:	\$ 30,251,508

Terms of Transaction:

Amount:	\$25,000,000 (Not to exceed)
Maturity:	17 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	February 2014

Public Benefit:

A total of 94 seniors will continue to be able to enjoy high quality, independent, affordable housing in the City of Santa Cruz. Services at the complex will include a community room, central laundry facility, professional on-site management.

Percent of Restricted Rental Units in the Project: 100%
100% (94 Units) restricted to 50% or less of area median income households.
Unit Mix: Studio, One- and two-bedroom
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Goldfarb & Lipman LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt an Initial Resolution of \$25,000,000 for the Garfield Park Village Apartments affordable senior housing project located in the City of Santa Cruz, Santa Cruz County, California.

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



HARVEY MUDD COLLEGE SUMMARY AND RECOMMENDATIONS

Applicant: Harvey Mudd College

Action: Final Resolution

Amount: \$40,000,000

Purpose: Finance and Refinance the Purchase and Capital Improvement of Real Property, Construction of New Facilities, and Renovation of Current Facilities for Harvey Mudd College located in the City of Claremont, Los Angeles County, California.

Activity: Private College

Meeting: October 11, 2013

Background:

Harvey Mudd College (HMC), the nation's top liberal arts college of engineering, science and mathematics was chartered in December 1955. Two years later, in 1957, when the space race made technical education a priority in the United States, it opened its doors. The founders' vision—to attract the nation's brightest students and offer them a rigorous scientific and technological education coupled with a strong curricular emphasis in the humanities and social sciences—has been successfully realized and expanded upon. In 1963, the college initiated the nationally recognized Clinic Program, which allows student teams to solve problems posed by sponsoring industry, government and nonprofit organizations. The emphasis on undergraduate research for all students has led to HMC graduates earning Ph.D. degrees in science and engineering at one of the highest rates in the nation.

The College is small by choice, with 700 students and 80 faculty, HMC enjoys an excellent reputation, which has made the college one of the most selective in the country. Their students' educational experience provides them with the capacity to master the tough interdisciplinary problems they will encounter in science and industry. Harvey Mudd College graduates are scientists, engineers, astronauts and ambassadors, as well as teachers, artists and entrepreneurs. The impact their graduates have on an increasingly technological world is what drives HMC to continue evolving and innovating. With continued support from people who care about the education of the nation's future leaders, Harvey Mudd College looks forward to many more years of providing top-notch undergraduate engineering, science and mathematics education.

The Project:

The proposed bond financing for Harvey Mudd College proceeds will be used as follows: (1) under a plan of financing and refinancing for the acquisition, construction, improvement and equipping of certain educational facilities, including related administrative facilities, site improvements, and parking, located in the City of Claremont, California including but not limited to (i) the purchase of approximately 12.21 acres of real property bordering the northern edge of E. Foothill Boulevard and including the junction of E. Foothill Boulevard and N. Amherst Avenue, to the east of N. College Avenue, west of N. Mills Avenue and south of Blaisdell Drive, (ii) construction of new facilities as described in the College's Master Plan, all located on the College's main campus at 301 Platt Boulevard, Claremont, California, 91711, and (iii) renovations of the College's current facilities, including the work known as the "vacated space work," located on the College's main campus; (2) refinancing all or a portion of (i) the College's outstanding California Educational Facilities Authority Revenue Bonds Series 2003, issued to finance or refinance educational facilities on the College's main campus, and (ii) the College's outstanding California Educational Facilities Authority Revenue Bonds Series 2011, issued to finance or refinance educational facilities on the College's main campus; and (3) to pay costs of issuance and certain interest with respect to the Loan.

The City of Claremont:

The City of Claremont is a member of the CMFA and held a TEFRA hearing on October 8, 2013. Upon closing, the City is expected to receive approximately \$10,000 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 29,987,959
Total Sources:	\$ 29,987,959

Uses of Funds:

Refunding 2003 Bonds:	\$ 1,765,000
Refunding 2011 Bonds:	\$ 2,956,400
Land Acquisition:	\$ 10,266,559
New Construction:	\$ 14,725,000
Cost of Issuance:	\$ 275,000
Total Uses:	\$ 29,987,959

Terms of Transaction:

Amount:	\$40,000,000
Maturity:	2043
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement
Estimated Closing:	October 31, 2013

Public Benefit:

Harvey Mudd College seeks to educate engineers, scientists, and mathematicians well versed in all of these areas and in the humanities and the social sciences so that they may assume leadership in their fields with a clear understanding of the impact of their work on society.

The new vision revolves around six themes:

- Innovation, Leadership, and Impact, Especially in Engineering, Science and Mathematics
- Focus on Experiential and Interdisciplinary Learning
- Unsurpassed Excellence and Diversity at All Levels
- Nurturing and Developing the Whole Person
- Global Engagement and Informed Contributions to Society
- Improvement of Infrastructure and Resources to Support HMC's Commitment to Excellence and Building Community

Finance Team:

Lender:	First Republic Bank
Special Tax Counsel:	Squire Sanders LLP
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Hawkins Delafield & Wood LLP
Borrower Counsel:	Squire Sanders LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$40,000,000 for the Harvey Mudd College project located in the City of Claremont, Los Angeles County, California.



THE WILLOWS COMMUNITY SCHOOL PROJECT SUMMARY AND RECOMMENDATIONS

Applicant:	The Willows Community School
Action:	Final Resolution
Amount:	\$ 17,000,000
Purpose:	Amend the Master Loan Agreement for The Willows Community School, located in the City of Culver City, Los Angeles County, California.
Activity:	Private School
Meeting:	October 11, 2013

Background:

In March 1994, a small, determined group of parents and educators decided to found The Willows Community School (the "School"). The group sought to establish an institution with a progressive and innovative approach and with strong academic roots that instilled character and compassion, inspired intellectual fearlessness and flexibility and appealed to a broad demographic throughout Los Angeles. The founding group agreed upon the name "The Willows Community School," honoring a tree that grows quickly and whose branches bend but do not break. After less than six months, the School opened its doors to 90 students in grades Developmental Kindergarten through sixth grade.

The School is divided into two programs: the Lower School, which serves 314 students in grades DK through five, and the Middle School, which enrolls 126 students in grades six through eight. The Willows had a total enrollment of 440 students as of fall 2011.

The Project:

Proceeds of the Series 2012 Variable Rate Loans were used to refinance the School's three outstanding bank notes and to fund capital improvements to the School's campus. Planned improvements include a complete renovation of two main buildings, a partial renovation of a third building, renovation of the central campus play yard and gardens, and the demolition of an unused building to create new outdoor play areas throughout campus and the construction of a new parking lot. As part of the transaction, the bank had built in an interest only period which would allow the school to complete the improvements. However, due to a fire on the school's

campus, the majority of the planned improvements were delayed as remediation efforts to the affected buildings took precedence. The bank has agreed to extend the interest only period for an additional year so the school can resume work on the original planned improvements. The project is located in the City of Culver City at: 8479, 8487 & 8509 Higuera Street, Culver City, California 90232; and 8476, 8490 & 8510 Warner Drive, Culver City, California 90232.

The City of Culver City:

The City of Culver City is a member of the CMFA and a TEFRA hearing was held on July 2, 2012. The City received \$7,717 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$16,300,000
Equity	<u>\$ 325,000</u>
Total Sources:	\$16,625,000

Uses of Funds:

Refinance of Existing Debt:	\$ 8,400,000
Capital Improvements:	\$ 1,800,000
Property Acquisition & Cap. Improvements:	\$ 6,100,000
Cost of Issuance:	<u>\$ 325,000</u>
Total Uses:	\$16,625,000

Terms of Transaction:

Amount:	\$ 17,000,000
Maturity:	September, 2042
Collateral:	Negative Pledge
Bond Purchasers:	Private Placement
Estimated Closing:	November, 2013

Public Benefit:

The School seeks to instill in its students a responsibility to the community of the School and the community beyond. The Willows prides itself in its active community service programs. Every grade level has its own individual projects relating to the curriculum as well as school wide community outreach programs. Within the School, older students interact with younger students as science and reading buddies and as guides and mentors.

Service learning integrates community service projects with academic study to connect classroom learning with the real world. The School guides the students out of the classroom and into the community to have experience that will help the students better understand the issues and challenges that all communities face. In 2011, the School was recognized as an Outstanding Support to PATH (People Assisting the Homeless).

Finance Team:

Private Placement Bank:	First Republic Bank
Special Tax Counsel:	Kutak Rock, LLP
Issuer's Counsel:	Jones Hall APLC
Bank Counsel:	Kutak Rock, LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Final Resolution authorizing an amendment to the Master Loan Agreement for The Willows Community School located in Culver City, California.



WINDSOR MOBILE HOME COUNTRY CLUB SUMMARY AND RECOMMENDATIONS

Applicant: Resident Owned Parks, Inc.

Action: Final Resolution

Amount: \$30,000,000

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

Activity: Affordable Housing (Mobile Home Park)

Meeting: October 11, 2013

Background:

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

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

This is the CMFA’s third transaction with ROP.

The Project:

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

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

The County of Sonoma:

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

Proposed Financing:

Sources of Funds:

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

Uses of Funds:

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

Terms of Transaction:

Amount:	\$30,000,000
Maturity:	35 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Public Offering
Rating:	BBB-
Estimated Closing:	November 2013

Public Benefit:

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

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

Finance Team:

Underwriter:	Westhoff, Cone and Holmstedt
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Underwriter Counsel:	Fulbright & Jaworski LLP
Borrower Counsel:	Levy, Levy and Levy
Oversight Agent:	Wolf & Company Inc.
Rating Agency:	Standard & Poors

Recommendation:

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



WASHINGTON TOWNSHIP HEALTHCARE DISTRICT SUMMARY AND RECOMMENDATIONS

Applicant:	Washington Township Healthcare District
Amount:	\$145,500,000
Purpose:	Approval of a Resolution to Purchase and Sale of General Obligation Bonds Issued to Finance the Construction, Improvement, and Equipping of Certain Health Facilities Owned and Operated by the District Located at Washington Township Health Care District in Alameda County, California
Activity:	Healthcare
Meeting:	October 11, 2013

Background:

The Washington Township Hospital District (“WTHD”) or (the “District”) is a California local health care district, formed in 1948, and organized pursuant to Division 23 of the Health and Safety Code of the State of California. The District’s boundaries encompass an area of approximately 124 square miles in southern Alameda County. The District operates the Washington Hospital Healthcare System, which consists of Washington Hospital, a 389-bed acute care hospital located in Fremont, California (the “Hospital”), three primary care outpatient clinics, an outpatient surgery center, an outpatient rehabilitation center, a radiation oncology center, a lymphedema clinic, a center for wound care and hyperbaric medicine, and an outpatient diabetes center.

Structure:

The 2013 Series A Bonds and Series B Bonds are being issued by WTHD. The Bonds were authorized at two separate elections. At an election held on November 2, 2004, more than two-thirds of the votes cast by eligible voters within the District authorized the District to issue up to \$190,000,000 of general obligation bonds for the purpose of making seismic upgrades for earthquake safety, reduce patient overcrowding by

expanding emergency, critical care, intensive care, and cardiac care units, provide additional operating rooms and patient beds, and upgrade related medical facilities and building systems and to pay all necessary contingent costs in connection therewith. WTHD has previously issued and sold an aggregate principal amount of \$85,000,000 pursuant to the 2004 authorization leaving \$105,000,000 in authorized but unissued bonds. At an election held on November 6, 2012, more than two-thirds of the votes cast by eligible voters within the District authorized the District to issue up to \$186,000,000 of general obligation bonds for certain capital projects. Proceeds of the 2012 Election Bonds issued will be used to provide rapid, lifesaving emergency medical care to the community serviced by the District by expanding emergency and intensive care units and other facilities, to provide the latest lifesaving medical technologies and facilities for treating heart disease, stroke, diabetes, cancer and other diseases, to reduce overcrowding and wait times and to enable Washington Hospital to become a designated trauma center. WTHD has previously issued and sold an aggregate principal amount of \$145,500,000 pursuant to the 2012 authorization leaving \$40,500,000 in authorized but unissued bonds.

The Bonds are issued pursuant to certain provisions of the Local Health Care District Law and other applicable laws and pursuant to a resolution adopted by the Board of Directors of the District. The Bonds will be sold by the District to the CMFA pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the Government Code of the State. The Bonds purchased by the Authority will be resold immediately to Bank of America Merrill Lynch (“Underwriter”).

The Bonds represent general obligations of the District payable from *ad valorem* taxes levied and collected by the County. The Bonds are not obligations of the County, the State of California or any of its political subdivisions, other than the District. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds when due.

Under the JPA Act, the Authority is authorized to purchase bonds issued by the District at negotiated sale and to sell such bonds at negotiated sale to the Underwriter. The Bonds are being issued by the District for sale to the Authority and will be simultaneously resold by the Authority to the Underwriter. The CMFA will not monitor payment of the Bonds or compliance.

Simplified Deal Flow:

1. WTHD Sells Bonds to CMFA
2. CMFA Purchases Bonds with funds from Underwriter
3. CMFA Resells Bonds to Underwriter
4. Underwriter Resells Bonds to ultimate Bondholders through a negotiated sale

This structure enables WTHD to issue with a negotiated sale. The WTHD feels that a negotiated sale, which is almost exclusively utilized in healthcare transactions, will provide the greatest benefit to the district.

Project:

Proceeds from the Bonds issued pursuant to 2004 authorization will be used to make seismic upgrades for earthquake safety, reduce patient overcrowding by expanding emergency, critical care, intensive care, and cardiac care units, provide additional operating rooms and patient beds, and upgrade related medical facilities and building systems and to pay all necessary contingent costs in connection therewith.

Proceeds issued pursuant to the 2012 authorization will be used to provide rapid, lifesaving emergency medical care to the community serviced by the District by expanding emergency and intensive care units and other facilities, to provide the latest lifesaving medical technologies and facilities for treating heart disease, stroke, diabetes, cancer and other diseases, to reduce overcrowding and wait times and to enable Washington Hospital to become a designated trauma center.

Washington Township Healthcare District:

The Washington Township Hospital District became a member of the CMFA on October 11, 2006. There is no fee sharing on a government transaction.

Refunding Financing:

Sources:	Par Amount of 2009 Series A Bonds:	\$ 145,500,000
	Premium:	\$ 1,100,000
	Total Sources:	\$ 146,600,000
Uses:	2009 Series A Project Account:	\$ 145,500,000
	Underwriter's Discount:	\$ 600,000
	Cost of Issuance:	\$ 500,000
	Total Uses:	\$ 146,600,000

Terms of Transaction:

Amount:	\$145,500,000
Rate:	Fixed
Maturity:	30 years. Mandatory Sinking Fund
Rating:	Baa3 (Moody's)
Security:	Tax Revenues
Bond Purchasers:	Institutional and Retail
Estimated Closing:	December 2013

Public Benefit:

This transaction will improve Washington Hospital's capacity to provide life-saving services to heart attack victims and other critically ill patients and to make seismic upgrades for earthquake safety, reduce patient overcrowding by expanding Emergency, Critical Care, Intensive Care, and Cardiac Care units, provide additional operating rooms and patient beds, and upgrade related medical facilities and building systems.

Finance Team:

Underwriter:	Bank of America Merrill Lynch
Issuer's Counsel:	Jones Hall, APLC
Bond Counsel:	Nixon Peabody LLP.
Borrower Counsel:	Hooper, Lundy & Bookman, P.C.
Underwriter Counsel:	Sidley Austin LLP
Financial Advisor:	Gordon Howie
Paying Agent:	Union Bank, N.A.

Recommendation:

The Executive Director recommends that the Board adopt a Resolution authorizing the Purchase and Sale of General Obligation Bonds Issued to Finance the Construction, Improvement, and Equipping of Certain Health Facilities Owned and Operated by the District Located at Washington Township Health Care District in Alameda County, California



OXNARD FIRE STATION PROJECT PROJECT SUMMARY AND RECOMMENDATIONS

Applicant: Oxnard Fire Station, LLC.

Action: Final Resolution

Amount: \$15,750,000

Purpose: Finance the Design, Acquisition, Construction, and Equipping of a Fire Station for Oxnard Fire Station, located in the City of Oxnard, Ventura County, California.

Activity: Fire Station

Meeting: October 11, 2013

Background:

Oxnard Fire Station, LLC (the “Borrower” & Lessor) is an Arizona limited liability company formed by Community Finance Corporation (CFC, its sole member, for the purpose of financing the acquisition, design, construction and equipping of the Oxnard Fire Station. The Borrower does not employ any staff to carry out any functions; its operations and management are controlled by the Community Finance Corporation. The Community Finance Corporation will provide all necessary administrative services to the Borrower.

The City of Oxnard (Lessee) is located in western Ventura County on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat. The City is the largest city in the County, with a population estimated at 200,855 in 2013, accounting for approximately 24% of the County’s population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

The City was incorporated as a general law city on June 30, 1903, and operates under a council-manager form of government. The City is governed by a five-member City Council elected at large for four-year alternating terms, with the exception of the Mayor, who is directly elected for a two-year term.

The Project:

The Bonds are being issued by the California Municipal Finance Authority, which will loan the proceeds of the Bonds to Oxnard Fire Station, LLC. The proceeds of the Bonds will be used to (i) finance the design, acquisition, construction and equipping of a “turn-key” fire station including a training facility to be leased to the City of Oxnard, (ii) finance 24 months of capitalized interest on the Bond, (iii) fund a debt service reserve for the Bonds, and (iv) pay certain of the costs of issuing the Bonds. The project will be located on the Southeast corner of South Rose Avenue and East Channel Islands Boulevard within the City of Oxnard.

The Oxnard Fire Station will contain a total of 13,956 square feet of building area consisting of an approximate 13,036 square foot fire station building and an approximate 920 square foot separate training building. The main station will have four “High-Bay” indoor drive isles to house fire apparatus vehicles, along with areas for administrative uses, living quarters & ancillary support spaces. The training building will have classroom and audio/visual amenities, restrooms and storage.

The Oxnard Fire Station amenities and improvements include: (a) four emergency vehicle apparatus bays; (b) ten dormitory living quarters with individual, private restrooms; (c) public lobby and ADA compliant public restroom; (d) administrative offices; (e) emergency communication center; (f) firemen day-room, kitchen and dining facilities; (g) physical fitness gym; (h) paramedic emergency medical supply unit; (i) workshop, hose storage, oxygen supply, “Turn-Out” & storage rooms; (j) ancillary building equipment & support spaces; (k) naturally ventilated and day-lighted apparatus bays; and (l) conference and library rooms.

Training center amenities and improvements include: (a) open educational and conference space; (b) audio/visual equipment; (c) ADA compliant restroom; (d) classroom equipment and storage space; (e) interior serving counter; and (f) interior furnishings, fixtures and equipment.

Site amenities and improvements will include: (a) two ingress and one egress vehicle access driveways; (b) 49,000 square foot high stress concrete paving and hardscape; (c) 15,960 square foot high stress concrete Vehicle Apparatus Training Yard with fire hydrant and night lighting; (d) emergency generator back-up power supply; (e) on-site fuel island and above ground storage tanks; (f) “Tiger” hose lift for drying hoses; (g) vehicle wash-down area; (h) bio-swale storm drainage; (i) 20,000+ square foot low maintenance/drought resistant landscaping; (j) site parking (20 employee and 5 public on-site parking spaces); (k) enclosed/secured masonry walls with automatic driveway gates; (l) exterior trash and storage enclosures; (m) covered patio recreational area; and (n) coordinated traffic signalization.

The City of Oxnard:

The City of Oxnard is a member of the CMFA and a TEFRA hearing was held on June 11, 2013. Upon closing, the City will receive approximately \$7,625 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$15,491,886
Taxable Bond Proceeds:	<u>\$ 191,351</u>
Total Sources:	\$15,683,237

Uses of Funds:

Construction:	\$12,473,365
Capital Interest & Debt Service Funds:	\$ 2,722,066
Cost of Issuance:	<u>\$ 487,806</u>
Total Uses:	\$15,683,237

Terms of Transaction:

Due to uncertain market conditions this transaction is being prepared as a public offering but has the potential to be privately placed.

Amount:	\$15,750,000
Maturity:	November, 2029
Estimated Closing:	November, 2013
Collateral:	Deed of Trust
Rating:	Standard & Poor's Expected: BBB
Bond Purchasers:	Institutional & Retail Investors or Private Placemnet

Public Benefit:

The City of Oxnard will be able to purchase a much needed fire station at a turnkey price. These services include: fire suppression, fire prevention (inspections, investigations, and building plan review), public education services, emergency medical advanced life support services (EMS), rescue services, and hazardous material response.

Finance Team:

Underwriter:	Stifel, Nicolaus & Company Inc.
Bond Counsel:	Fulbright & Jaworski, LLP
Issuer's Counsel:	Jones Hall APLC
Underwriter Counsel:	Stradling Yocca Carlson & Rauth
Borrower's Counsel:	Slosser Strusse Fickbohm & Fletcher, PLC
Borrower's Financial Advisor:	Kosmont Companies
Lessee Counsel:	Oxnard Office of the City Attorney
Lessee Financial Advisor:	First Southwest Company
Rating Agency:	Standard & Poor's Ratings Services

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Final Resolution of \$15,750,000 for the Oxnard Firestation, LLC fire station project located in the City of Oxnard, Ventura County, California.



**DISCUSS AND APPROVE THE LOCAL GOALS POLICIES OF THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR
COMMUNITY FACILITIES DISTRICTS**

Action: Approval of Local Goals and Policies of the California Municipal Finance Authority for Community Facilities Districts

Purpose: Property Assessed Clean Energy (“PACE”)

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

Meeting: October 11, 2013

Background:

The establishment of a PACE program for Tulare County (the “Program”) received preliminary approval during the January 2013 Board Meeting. PACE programs generally enable private property owners to finance or refinance 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 legal basis for the PACE program for Tulare County is the alternative procedure established for PACE under the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), which procedure is commonly referred to as “SB 555.” This procedure involves the formation of a community facilities district (“CFD”); however, prior to establishing a CFD (PACE-related or otherwise), Section 53312.7 of the Act requires the Board to adopt local goals and policies.

Discussion:

The Local Goals and Policies for Community Facilities Districts (the “Local Goals and Policies”) provide guidance and conditions for the conduct by the CMFA of proceedings for, and the issuance of bonds secured by special taxes levied in, a CFD established under the Act . A synopsis of certain provisions of the Local Goals and Policies is provided below.

- Eligible Private & Public Facilities

- Public Facilities financed by a CFD must be owned and operated by the Authority. They must have a minimum useful life of five years.
- Private Facilities must advance a public purpose. Improvements must be affixed to or on real property and in buildings. They must have a useful life of at least five years and the useful life of each privately owned improvements shall be at least equal to the terms of the special tax levied to finance the privately owned improvement.
- Credit Quality
 - CFD bond issues should have at least a three-to-one value of property in the CFD as a whole to public lien ratio after calculating the value of the financed public improvements to be installed.
 - Property value shall be based on either an appraisal or on assessed values as indicated on the Assessor's tax roll.
 - Establishment Reserve Fund – In some cases, the CFD may require a reserve fund. The reserve fund may be funded in whole or in part with cash or some other form of security instrument acceptable to the Authority.
 - In cases where the value of the property is insufficient to meet the 3:1 requirement the Borrower must provide other security or may request a portion of the bond proceeds be placed in escrow with a corporate trust agent in an amount sufficient to assure the financing will meet the applicable credit criteria.
 - Escrowed proceeds shall be released from the escrow at such times and in such amounts as may be necessary to assure the applicable credit criteria have been met.
 - The Authority will require that bond financings be structured so that bonds are purchased and owned by suitable investors.
- Disclosure Requirements
 - The Authority shall use all reasonable means to ensure compliance with applicable federal securities laws in connection with the issuance of debt and the provision of annual information regarding any CFD established by the Authority with respect to which bonds have been issued in a public offering, including requiring any landowner in a CFD who is material to the bond issue to enter into a continuing disclosure agreement or certificate requiring that appropriate information be transmitted periodically to the Authority or its designee for disclosure to bond investors.
- Equity of Special Tax Formulas and Maximum Special Taxes
 - In connection with the financing of renewable energy, energy efficiency and water conservation improvements, the Authority may establish a special tax formula that provides for minimum special tax levels that satisfy the following payment obligations of a CFD: (a) 100 percent gross debt service coverage for all CFD bonded indebtedness (taking into account any sources of revenue, other than special taxes, pledged to the payment of the debt), (b) all administrative expenses of the Authority related to the CFD, and (c) amounts equal to the

differences between expected earnings on any escrow fund and the interest payments due on bonds of the CFD.

- Special taxes may be subject to prepayment in whole or in part.
- Special taxes will only be levied on an entire county assessor's parcel. Failure of the owner of any county assessor's parcel to pay or cause to be paid any special taxes in full when due shall subject the entire parcel to foreclosure in accordance with the Act.
- Appraisals
 - The definitions, standards and assumptions to be used for appraisals shall be determined by Authority staff on a case-by-case basis, with input from Authority consultants and CFD proponents, and by reference to relevant materials and information promulgated by the State of California (including, but not limited to, the California Debt Investment and Advisory Commission).
- Terms & Conditions of Bonds
 - All terms and conditions of any CFD bonded indebtedness shall be approved by the Authority.
 - The sole source of pledged revenues to repay CFD bonds shall be special taxes, bond proceeds and reserve funds held under the bond document, and the proceeds of foreclosure proceedings and additional security instruments provided at the time of bond issuance, unless otherwise specifically agreed to by the Authority.
- Use of Consultants
 - The Authority shall select all consultants necessary for the formation of the CFD and the issuance of bonds, including the underwriter(s), bond counsel, financial advisor(s), appraiser(s), market absorption study consultant and the special tax consultant, after reasonable consultation with the primary proponent for the CFD.
 - Authority staff shall use all reasonable efforts not to incur any expenses for processing or administering a CFD that are not eligible to be reimbursed from CFD special taxes, CFD bond proceeds or other identified sources. Expenses incurred by the Authority that are not chargeable to the CFD shall be borne by the proponents of the CFD to the greatest extent possible.
 - All Authority staff and consultant costs incurred in the evaluation of CFD applications and the establishment of the CFD will be paid by the proponents of the CFD.
- Authority Proceedings
 - The final schedule of events for any proceeding shall be determined by the Authority.
 - Any changes will require approval by the appropriate Authority official.
 - Time schedules will (unless specific exceptions are allowed by Authority staff) observe established Authority meeting schedules and agenda deadlines.
 - To the extent possible, financings will be scheduled to allow debt service to be placed on the tax rolls with a minimum of capitalized interest.

- Exceptions
 - The Authority may find in limited instances that a waiver of any of the above stated policies is reasonable given identified benefits to be derived from such waiver.
 - Such waivers only will be granted by action of the Board of Directors.

Public Benefit:

The adoption of the Local Goals and Policies is a prerequisite for the creation of any CFD by CMFA and must occur prior to the establishment of a CFD in connection with the Program.

PACE programs encourage energy efficiency, water conservation and diversifies energy sources. Furthermore, PACE programs provide property owners with a low cost alternative to financing or refinancing 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 adopt the Local Goals and Policies for Community Facilities Districts in order to satisfy section 53312.7 of the Act.



**DISCUSS AND APPROVE THE ESTABLISHMENT OF A
COMMUNITY FACILITIES DISTRICT FOR TULARE COUNTY, CA**

Action:	Approval of the Resolution of Intention to Establish a Community Facilities District for Tulare County, California
Purpose:	Property Assessed Clean Energy (“PACE”)
Activity:	PACE Financing and Refinancing of Energy Efficiency, Water Efficiency and Renewable Energy Generation Improvements
Meeting:	October 11, 2013

Background:

The establishment of a PACE program received preliminary approval during the January 2013 Board Meeting. 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 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 legal basis for the Tulare PACE program (the “Program”) is the alternative procedure established for PACE, under the Mello-Roos Community Facilities Act of 1982, as amended, that is commonly referred to as “SB 555.” SB 555 involves the formation of a community facilities district (“CFD”).

Under SB 555, a community facilities district is formed that initially consists solely of territory proposed for annexation to the community facilities district in the future. A participating property owner consents to its property’s annexation into the CFD, and the levy of a special tax on the property, by executing a unanimous approval (a “Unanimous Approval”). By annexing the property into the CFD, the property owner is able to finance approved improvements for the property with repayment secured through the levy of a special tax on the property owner’s property tax bill.

Discussion:

Due to the rising cost of water, gas and electricity in California, residential and non-residential property owners are seeking ways to reduce costs to ensure long term viability of the business. Costs are especially high in California's central valley. On July 10, 2013, Tulare County adopted a resolution which will allow residential and non-residential property owners to take advantage of a CMFA PACE program. The goal of the PACE program is to cost effectively encourage energy efficiency, water conservation and renewable energy while also supporting job creation in these industries.

Staff is requesting the establishment of a CFD in Tulare County that will enable CMFA to provide PACE financing within its boundaries. Participation in the PACE program is completely voluntary. Property owners must obtain an acknowledgement of their existing mortgage lender(s) in order to participate in the Program. All financing will conform to CMFA's Local Goals and Policies.

There are several steps that need to be accomplished prior to any financing taking place within the established CFD. In summary:

1. Adopt:
 - a. The Local Goals & Policies.
 - b. Resolution of Intention to Incur Bonded Indebtedness and Other Debt.
 - c. Resolution of Formation of Community Facilities District.
 - d. Resolution of Necessity to Incur Bonded Indebtedness.
 - e. Resolution establishing determination procedure for California Environmental Quality Act.
 - f. Resolution Authorizing Bond Issuance.
2. Record CFD boundary map by October 26, 2013.
3. Hold Public hearing, scheduled for November 22, 2013, meeting of the Board of Directors
4. Adopt Ordinance Ordering Levy of Special Taxes (the "Ordinance") (first reading: November 22, 2013 meeting of the Board; second reading: December 13, 2013, meeting of the Board)
5. Publication of Ordinance after passage.
6. Adopt resolution authorizing bond issuance to the extent of demand for financing.
7. The Program will provide financing for properties in the incorporated areas within Tulare County only if it is asked to do so by the applicable city after it holds a public hearing and approves a resolution, the form of which is attached as Exhibit A to the Resolution of Intention to Establish CFD.

Public Benefit:

PACE programs encourage energy efficiency, water conservation and diversification of energy sources. 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 Resolution of Intention to Establish Community Facilities District for purposes of establishing the Program.



DISCUSS AND ADOPT RESOLUTION OF INTENTION TO INCUR UP TO \$100,000,000 OF BONDED INDEBTEDNES OR OTHER DEBT OF THE COMMUNITY FACILITIES OF TULARE COUNTY, CALIFORNIA

Action: Adopt Resolution of Intention to Incur up to \$100,000,000 of Bonded Indebtedness or Other Debt of the Community Facilities District Established by CMFA for the Tulare County, California

Purpose: Property Assessed Clean Energy (“PACE”)

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

Meeting: October 11, 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.

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 Act requires the setting of a not-to-exceed maximum amount of bonded indebtedness or other debt to be issued or incurred by a community facilities district. The amount of \$100,000,000 is believed to be a reasonable limit for the CFD created to administer the Tulare County PACE Program.

Public Benefit:

PACE programs encourage energy efficiency, water conservation and diversifies energy sources all of which reduces 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 adopt the Resolution of Intention to Incur Bonded Indebtedness, which sets \$100,000,000 as the maximum amount of bonded indebtedness or other debt that may be issued by the CFD for the Program.