



ROYAL VISTA TERRACE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: be.group

Action: Initial Resolution

Amount: \$15,000,000 (Not to Exceed)

Purpose: Finance Affordable Senior Rental Housing Facility Located in the City of Duarte, Los Angeles County, California

Activity: Affordable Senior Housing

Meeting: September 20, 2013

Background:

While officially established in 1955, their story began two decades earlier with a vision of creating better communities and services to make the lives of older adults more fulfilling. More than 65 years ago, a small group of individuals in Southern California made a bold commitment: to build an organization that would help older adults continue to lead rich, purposeful lives. What was originally Southern California Presbyterian Homes is now be.group. Over the decades they have expanded from one fledgling community in La Jolla to 36 communities serving thousands of older adults throughout the state. Faith-based in their roots, they remain committed to providing superior-quality communities and services for seniors of all backgrounds, ethnicities and spiritual beliefs. While what they do has evolved to meet the changing needs of new generations, they stay true to the ideals of their founders.

As one of the country's largest nonprofit providers of senior living communities, their dedicated, well-trained staff is dedicated to help their residents and clients discover new ways to embrace life's possibilities and new options for exploring their potential. Southern California Presbyterian Homes became be.group on April 26, 2011, to better reflect this mission. It's a name and a philosophy that they believe sums up everything they've been, everything they are today and everything they aspire to be in the future. Their vision, like the vision of their founders, begins and ends with the people they serve. They're here to help seniors be themselves.

The Project:

The Royal Vista Terrace Apartments is an acquisition/ rehabilitation project consisting of a 75-unit senior affordable rental housing project. The project will consist of 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 100 seniors for 55 years. The project is located in the City of Duarte, Los Angeles County, California

The City of Duarte:

The City of Duarte is a member of the CMFA and will need to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$9,375 as part of CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 13,800,000
Seller Note:	\$ 5,500,000
NOI During Operations:	\$ 650,000
Cash Reserves:	\$ 350,000
Equity:	<u>\$ 2,000,000</u>
Total Sources:	\$ 22,300,000

Uses of Funds:

Land Acquisition:	\$ 3,000,000
Building Acquisition:	\$ 12,500,000
Rehabilitation:	\$ 2,700,000
Architectural & Engineering:	\$ 300,000
Legal & Professional:	\$ 200,000
Contingency:	\$ 400,000
Costs of Issuance:	\$ 350,000
Reserves:	\$ 350,000
Developer Fee:	<u>\$ 2,500,000</u>
Total Uses:	\$ 22,300,000

Terms of Transaction:

Amount:	\$15,000,000 (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 75 seniors will continue to be able to enjoy high quality, independent, affordable housing in the City of Duarte. 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%
100% (75 Units) restricted to 50% or less of area median income households.
Unit Mix: One- and two-bedroom
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Orrick, Herrington, Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Gubb and Barshay, LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt an Initial Resolution of \$15,000,000 for the Royal Vista Terrace Apartments affordable senior housing project located in the City of Duarte, Los Angeles County, California.

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



DAVIS SCATTERED SITE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Community Housing Opportunities Corporation (CHOC)
Action:	Initial Resolution
Amount:	\$8,000,000 (Not to Exceed)
Purpose:	Refinance an Affordable Multi-Family Rental Housing Facility Located in the City of Davis, County of Yolo, California
Activity:	Affordable Housing
Meeting:	September 20, 2013

Background:

The Community Housing Opportunities Corporation (CHOC) exists to empower families through the increase of available affordable housing, substantially improving the quality of life for very low to moderate income households. This is achieved through the development of high quality, affordable, and environmentally-sensitive housing; advocating for affordable housing programs; the efficient leveraging of all corporate resources; and the continuing, shared dialogue between CHOC residents, staff and board members.

Established in 1984 as a non-profit producer and advocate of affordable housing in Davis, California, CHOC empowers families through the creation of high-quality, affordable and sustainable communities. CHOC was initially engaged to build 515 of 1800 units of inclusionary housing adopted by the City of Davis during the 1980's.

Today, CHOC has extended its sphere of influence, now sponsoring over \$150 million in affordable housing development, and with its property management subsidiary Sterling Asset Management Company, managing a 1,350 unit multi-family housing portfolio encompassing a 50-mile radius of Davis.

Their regional growth reflects CHOC's successful track record of quality housing, responsible ownership, and effective property management. This is the CMFA's second project with CHOC.

The Project:

The Davis Scattered Site Apartment portfolio is a scattered site project. This project is comprised of 5 acquisition/ rehabilitation locations consisting of 96-units of affordable multifamily rental housing. The project will consist of studio-, one-, two- and three-bedroom apartments for low-income families who earn between 50% and 60% of the area median income. The projects include private patios and balconies, a common area, outdoor courtyard, common laundry facilities and community facilities. The projects locations are as follows:

Olive Court
1414 Olive Drive, Davis, CA 95616
24 Units

Tuscany Villas
2526 E. 8th Street, Davis, CA 95618
30 Units

Rosewood Park
616 Ohlone Street, Davis, CA 95618
24 units

Villa Calabria
2537 E. 8th Street, Davis, CA 95618
6 units

Willow Glen
310 Becerra Way, Davis, CA 95618
12 units

The financing of this project will result in the preservation of affordability for 96 low-income families for an additional 55 years.

The City of Davis:

The City of Davis is a member of the CMFA and will need to 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:	\$ 5,615,513
Tax Credit Equity:	\$ 1,510,764
Assumed Public Debt:	\$ 4,120,981
Deferred Developer Fee:	<u>\$ 115,129</u>
Total Sources:	\$ 11,362,387

Uses of Funds:

Land Acquisition:	\$	1,482,937
Building Acquisition:	\$	5,202,063
Rehabilitation:	\$	2,466,000
Architectural & Engineering:	\$	93,000
Legal & Professional:	\$	232,700
Debt Service:	\$	158,078
Developer Fee:	\$	1,230,324
Cost of Issuance/ Reserves/ Soft Costs:	\$	<u>497,285</u>
Total Uses:	\$	11,362,387

Terms of Transaction:

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

Public Benefit:

A total of 96 existing households will be able to continue to enjoy high quality, independent, affordable housing in the City of Davis. Services at the complexes 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 Davis for an additional 55 years.

Percent of Restricted Rental Units in the Project: 100%
 35% (34 Units) restricted to 35% or less of area median income households; and
 65% (62 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:	Orrick, Herrington, Sutcliffe LLP
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 \$8,000,000 for the Davis Scattered Site Apartments affordable housing project located in the City of Davis, Yolo County, California.

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



NORTHBAY HEALTHCARE GROUP SUMMARY AND RECOMMENDATIONS

Applicant:	NorthBay Healthcare Group
Action:	Final Resolution
Amount:	\$60,000,000 (Not to exceed)
Purpose:	Authorizing the Issuance of Fixed and Variable Rate Bonds for the Purpose of Refinancing NorthBay's 1998 Certificates of Participation and finance routine capital expenditures at NorthBay Healthcare Group's facilities located in the Cities of Fairfield and Vacaville, Solano County, California.
Activity:	Healthcare Services
Meeting:	September 20, 2013

Background:

The NorthBay Healthcare System (the System) consists of several affiliated non-profit corporations which provide healthcare services primarily to residents of Solano County, in northern California, through an integrated healthcare delivery system that includes two general acute care hospital campuses, multiple primary care and specialty care outpatient medical clinics, a home care agency, a hospice program, an ambulatory surgery center, satellite imaging centers and an occupational health program. The System provides services primarily at campuses in Fairfield, Vacaville and a corporate headquarters campus in Green Valley, California.

Headquartered in Fairfield, California, NorthBay Healthcare Group, is an affiliate of NorthBay Healthcare System. It was incorporated in 1954 as Central Solano County Hospital Foundation, and is responsible for the operations of two nonprofit general acute care hospitals: NorthBay Medical Center in Fairfield and NorthBay VacaValley Hospital in Vacaville. Each hospital provides both inpatient and outpatient health care services. The Fairfield facility provides the region with 24-hour Emergency Medical Care.

In addition, NorthBay Healthcare Group also operates a network of multi-specialty clinics located in Fairfield and Vacaville. The Group contracts with physicians for professional medical services provided at the Clinics, and offers scheduled and same-day appointments at five locations, three in Fairfield and two in Vacaville. The Group also offers access to over 60 specialist physician and advanced practice provider services at the Clinics, including Aesthetics, Cardiology,

Dermatology, Endocrinology, Functional Medicine, Gastroenterology, General Surgery, Infectious Disease, Neurology and Neurosurgery, Obstetrics and Gynecology, Occupational Medicine, Medical and Radiation Oncology, Onco-Plastic Surgery, Orthopedic Surgery, Osteopathic Medicine, Pain Management, Pulmonology, Rheumatology, Urology and Vascular Surgery.

The Project:

Proceeds will be used to fund:

Series A- the renovation, improvement and equipping of certain portions of the two general acute care hospitals owned and operated by the NorthBay Healthcare.

Series B- refund existing 1998 Certificates of Participation; the proceeds of which were used to finance the acquisition, construction, design, development, improvement and equipping NorthBay's Healthcare facilities.

The County of Solano:

Solano County is a member of the CMFA and a TEFRA hearing was held on September 10, 2013. Solano County is expected to receive approximately \$15,000 as part of CMFA's sharing of Issuance Fees.

Estimated Sources and Uses:

Sources of Funds:

Series 2013A:	\$33,810,000
Series 2013B:	\$21,275,000
Premium:	\$ 1,409,442
1998 Debt Reserve Fund:	\$ 4,958,478
Debt Reserve Fund:	<u>\$ 3,999,329</u>
Total Sources:	\$65,452,249

Uses of Funds:

New Machinery & Equipment:	\$30,000,000
Refinancing of 1998 COPs:	\$29,088,495
Debt Service Reserve Funds:	\$ 5,257,863
Additional Proceeds:	\$ 4,191
Cost of Issuance:	<u>\$ 1,101,700</u>
Total Uses:	\$65,452,249

Terms of Transaction:

Amount:	\$60,000,000 (not to exceed)
Rating:	Anticipated BBB- (Standard & Poor's)
Maturity:	2013 Series A - Variable maturing November 2028 2013 Series B - Fixed Rate maturing November 2019
Collateral:	Gross revenue pledge
Bond Purchasers:	Institutional & Retail Investors
Estimated Closing:	October 2013

Public Benefit:

NorthBay Healthcare Group operates two acute care hospitals: NorthBay Medical Facility in Fairfield is a 132-bed acute care hospital; the NorthBay VacaValley Hospital is a 50-bed acute care hospital. Both locations serve residents of Solano County including those in the Cities of Benicia, Dixon, Fairfield, RioVista, Suisun City, Vacaville and Vallejo.

In addition to NorthBay Healthcare Group's exemplary healthcare services, the Group works closely with the community to support community wellness. The Group is an integral part to Solano Coalition for Better Health which serves to provide each member of the community with adequate housing and nutrition, education, employment and a feeling of hope and well-being.

Finance Team:

Underwriter:	Merrill Lynch, Pierce, Fenner, & Smith Incorporated
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Underwriter's Counsel:	Sidley Austin LLP
Issuer's Counsel:	Jones Hall APLC
Borrower's Counsel:	Meyers Nave LLP
Financial Advisor:	Cain Brother & Co., LLC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$60,000,000 for the NorthBay Healthcare Group located in the cities of Fairfield and Vacaville, Solano County, CA.



MEADOWBROOK APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Vitus Development, LLC
Action:	Final Resolution
Amount:	\$42,000,000
Purpose:	Finance an Affordable Multi-Family Rental Housing Facility Located in the City of San Diego, San Diego County, California
Activity:	Affordable Housing
Meeting:	September 20, 2013

Background:

Vitus is a developer of smart affordable housing and a catalyst for community revitalization. They work with public and private sector partners to develop quality projects that strengthen neighborhoods and provide housing that families and individuals can feel proud to call home.

With a team of experts and proven track record of success, they work with partners in the public and private sector to develop high-quality housing properties that are making a positive impact in communities nationwide. They believe in creating residences that empower people to connect, grow and thrive, while energizing the neighborhood as a whole. Over the past two decades, they have developed an unparalleled expertise for pragmatic problem solving to ensure that properties are developed that benefit their partners, communities and residents. Vitus both rehabilitates existing housing and creates innovative new developments from the ground up, employing the latest sustainable building methods whenever possible.

The Vitus team has developed more than 60 properties with more than 5,000 units in 13 states across the nation from Hawaii to Washington, and New York to Alaska. Their extensive experience and relationships within the housing and lending sector enable them to take oftentimes complicated financing models to create long-term community-driven solutions. This is the 5th transaction that the CMFA has participated in with Vitus.

The Project:

The Meadowbrook Apartments project I and II is an acquisition/ rehabilitation of an existing apartment complex that was built in 1969-1970 on over 21 flat acres of land. The proposed project will consist of 448 two and three-bedroom apartments with five dedicated units to the on-site management. The proposed project will undergo an extensive rehabilitation to address deferred maintenance, improve the physical nature of the property and address long term capital needs. Rehab will include updating the windows, a complete reroofing of all buildings, new kitchens and baths, painting all the buildings, all community spaces such as the community kitchen, meeting space and offices. The proposed financing will keep the at-risk property affordable for another 55 years.

The County of San Diego:

The County of San Diego is a member of the CMFA and held a TEFRA hearing on June 18, 2013. Upon closing, the County is expected to receive approximately \$16,166 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$50,000,000	\$ 0
Taxable Bond Proceeds:	\$ 5,000,000	\$55,000,000
Developer Equity:	\$ 1,000,000	\$ 1,000,000
LIH Tax Credit Equity:	<u>\$24,500,000</u>	<u>\$24,500,000</u>
Total Sources:	\$80,500,000	\$80,500,000

Uses of Funds:

Acquisition/Land Purchase:	\$52,530,000
On & Off Site Costs:	\$ 2,761,000
Hard Construction Costs:	\$11,047,000
Architectural & Engineering Fees:	\$ 200,000
Contractor Overhead & Profit:	\$ 1,933,120
Developer Fee:	\$ 2,500,000
Relocation:	\$ 750,000
Cost of Issuance:	\$ 800,000
Capitalized Interest:	\$ 550,000
Other Soft Costs (Marketing, etc.):	<u>\$ 7,428,880</u>
Total Uses:	\$80,500,000

Terms of Transaction:

Amount:	\$42,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	October 2013

Public Benefit:

A total of 443 families will be able to enjoy high quality, independent, affordable housing in the City of San Diego. Services at the complex will include a community room, fitness center, central laundry facility, professional on-site management, outdoor seating areas.

Percent of Restricted Rental Units in the Project: 100%
30% (134 Units) restricted to 50% or less of area median income households; and
70% (309 Units) restricted to 60% or less of area median income households
Unit Mix: Two & three bedroom
Term of Restriction: 55 years

Finance Team:

Lender:	Citi Community Capital
Bond Counsel:	Orrick, Herrington, Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Eichner Norris & Neumann PLLC
Borrower Counsel:	VLP Law Group LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$42,000,000 for the Meadowbrook Apartments affordable housing project located in the City of San Diego, San Diego County, California.



AMG HUNTINGTON BEACH SUMMARY AND RECOMMENDATIONS

Applicant: AMG Huntington Beach, LLC

Action: Final Resolution

Amount: \$5,000,000

Purpose: Finance an Industrial Project for AMG Huntington Beach, LLC. Located in the City of Huntington Beach, Orange County, CA.

Activity: Manufacturing

Meeting: September 20, 2013

Background:

AMG Huntington Beach, LLC is one part of Aerospace Manufacturing Group, Inc. and was incorporated on December 5, 2011 in Delaware. The Company has been serving the aerospace and defense industry as a reliable supplier of precision-machined metallic components and subassemblies. The products manufactured by the Company can be found on various commercial and military aircraft. Many of their customers are considered the largest Original Equipment Manufacturers (OEMs) in the industry including, but not limited to, Northrop Grumman, Lockheed, GKN Aerospace, Boeing and Spirit Aero Systems. The Huntington Beach-based manufacturer employs approximately 68 people.

The Project:

The proposed bond financing for AMG Huntington Beach will include the acquisition and installation of specialized machining equipment used in the manufacture of large metal components and assemblies used by the aerospace and defense industry. The equipment being purchased and installed will be calibrated to European standards. This will allow AMG to manufacture larger components than the plant is capable of and increase the plant's output. In addition, the equipment will allow the company to work to European specifications and expand its customer base to include Airbus SAS which is a subsidiary of EADS, a European aerospace company. The machining equipment will be owned by the borrower at its facility located at 6516 Argosy Avenue, Huntington Beach, CA.

City of Huntington Beach:

The City of Huntington Beach is a member of the CMFA and held a TEFRA hearing on July 1, 2013. Upon closing, the City is expected to receive approximately \$3,125 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 3,449,073
Taxable Bond Proceeds:	<u>\$ 608,660</u>
Total Sources:	\$ 4,057,733

Uses of Funds:

New Machinery & Equipment:	\$ 3,976,579
Cost of Issuance:	<u>\$ 81,154</u>
Total Uses:	\$ 4,057,733

Terms of Transaction:

Amount:	\$5,000,000
Rate:	Fixed
Collateral:	Security Interest, Equipment
Maturity:	2020
Bond Purchasers:	Private Placement
Estimated Closing:	September 2013

Public Benefit:

This transaction will create approximately 5 new full-time jobs in addition to retaining their current 67 full-time employees. Furthermore, the City of Huntington Beach will enjoy an increase and diversification of the local tax base through salaries, wages, sales taxes, property taxes, and other local revenues generated through various vendors and businesses supporting the Borrower.

Finance Team:

Lender:	GE Government Finance, Inc.
Bond Counsel:	Jones Hall, APLC
Lender Counsel:	Kutak Rock LLP
Issuer Counsel:	Jones Hall, APLC
Borrower Counsel:	K & L Gates

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a final resolution in the amount of \$5,000,000 to finance an industrial project for AMG Huntington Beach, LLC, located in the City of Huntington Beach, Orange County, California.



CITY OF SANGER SUMMARY AND RECOMMENDATIONS

Applicant:	City of Sanger
Action:	Approve JPA Creation & Membership
Amount:	\$13,200,000 (approximately)
Purpose:	To execute a Joint Exercise of Powers Agreement to create the Sanger Financing Authority
Activity:	Forming a JPA
Meeting:	September 20, 2013

Background:

The City of Sanger (the “City”), is a municipal corporation and general law city incorporated in 1911. The City is located in Fresno County. The City serves approximately 24,500 residents in a land area of 5.52 square miles. The City operates as a general law city under the council-manager form of government. Policy-making and legislative authority are vested in the City Council consisting of a Mayor and four other elected City Council members.

The CMFA has been requested by the City to join it in creating a new Joint Powers Authority to be called the Sanger Financing Authority (“new JPA”). The new JPA would be a single purpose entity controlled by the City with the sole purpose of issuing bonds for the benefit of the City. The initial and immediate purpose of the JPA is to facilitate the issuance by the new JPA of three revenue bond issues to finance (i) improvements to the City’s municipal water system, (ii) improvements to the City’s municipal wastewater system, and (iii) various capital improvements throughout the geographic boundaries of the City

The new JPA will be governed by a five-member Board which will consist of all members of the City Council of the City. The officers of the new JPA will be official and staff members of the City. The CMFA and the City will be the only members of the new JPA and the new JPA will be limited to issuing bonds only for the City.

The Joint Exercise of Powers Agreement for the new JPA provides that the new JPA will not issue bonded indebtedness without the prior written approval of the CMFA, which will not be unreasonably withheld or delayed. The Resolution approving the new JPA Agreement also approves the first three bond issues of the new JPA.

Liability Issues for the CMFA:

By approving this transaction, the CMFA will become a member of the new JPA, but will have no role in the proposed bond transaction. The CMFA has no liability of any kind for the obligations of the new JPA. The CMFA will have no ongoing responsibilities for the administration or operation of the new JPA or maintenance of the bonds. As mentioned above, the Joint Exercise of Powers Agreement for the new JPA provides that the new JPA will not issue bonds without the prior written approval of the CMFA, which will not be unreasonably withheld or delayed. The Resolution approving the new JPA Agreement also approves the first bond issues of the new JPA.

CMFA counsel fees, as well as a transaction fee, will be paid from proceeds of the bond financing.

The firm of Quint & Thimmig LLP will serve as bond and disclosure counsel for the transactions and is representing the City in the formation of the new JPA.

Terms of Transaction:

Estimated Amount:	\$13,200,000
Estimated Closing:	November, 2013
Sources of Repayment:	(1) Water system revenues (2) Wastewater system revenues (3) General Fund revenues

Public Benefit:

Execution of a Joint Exercise of Powers Agreement will allow the issuance of bonds to finance water system improvements, wastewater system improvements and public capital improvements, all in furtherance of its services to its constituents.

Finance Team:

City:	City of Sanger
Underwriter:	Wulff, Hansen & Co.
Bond and Disclosure Counsel:	Quint & Thimmig LLP
CMFA Counsel:	Jones Hall, APLC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Resolution (i) authorizing the execution of a Joint Exercise of Powers Agreement by and between the California Municipal Finance Authority and the City of Sanger for the purpose of forming the new joint powers authority to be known as the Sanger Financing Authority, and (ii) approving the initial bond issues of the Sanger Financing Authority.