



PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS

Items: A1, A2, A3

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



ONE CHURCH STREET APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	BRIDGE Housing Corporation
Action:	Initial Resolution
Amount:	\$30,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of San Francisco, San Francisco County, California
Activity:	Affordable Housing
Meeting:	December 1, 2017

Background:

BRIDGE Housing Corporation (“BRIDGE”) is one of the country’s premier developers of affordable housing and master planned developments. Their mission is to produce large volumes of high-quality homes for seniors and families of very low, low and moderate-incomes. Since beginning active operations in 1983, BRIDGE has participated in the development of over 13,000 housing units in over 80 California communities, valued at more than \$3 billion. BRIDGE Property Management Company has had the management capacity to maintain quality standards and community responsiveness in nearly 8,000 rental units.

BRIDGE builds a range of housing types that both fit comfortably into their surroundings and act as a catalyst for revitalizing and strengthening neighborhoods. BRIDGE not only specializes in bringing affordable housing to all income levels, but it also works to develop housing for all age levels. BRIDGE has been a leader in providing high-quality affordable housing for seniors, helping to enhance the lives of all members of a community. The vast majority of the homes built by BRIDGE are affordable to families who earn approximately \$15,000 - \$50,000. The remainder is primarily affordable to households with moderate incomes. Approximately 78% of BRIDGE units are rentals; the balance of which is comprised of for-sale units affordable to first time homebuyers. BRIDGE is known for creating award winning affordable homes that not only depict the character of the community, but also display the same quality of design and construction as market rate housing.

The CMFA has facilitated over 10 BRIDGE projects.

The Project:

The One Church Street Apartments project is an acquisition/rehabilitation of a 93-unit multi-family affordable housing project that was completed in 2002 by BRIDGE Housing for residents earning between 50% and 60% of area median income. The property is centrally located in San Francisco in the amenity-rich Duboce Triangle neighborhood. The project site is approximately 1.3 acres and occupies an entire city block bounded by Hermann Street to the north, Church Street to the west, Webster Street to the east, and Duboce Avenue to the south. The project consists of two buildings of 4-5 stories of wood frame connected by a landscaped courtyard built atop a concrete podium garage containing 94 parking spaces. The exterior walls are comprised of painted stucco. Residents enjoy several amenities in the building in addition to the landscaped courtyard, including a community room and laundry rooms on each floor. The building includes one-, two-, and three-bedroom units and is serviced by two elevators. This financing will create 92 units of affordable housing for the City of San Francisco for 55 years.

The City and County of San Francisco:

The City of San Francisco is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$8,859 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$	14,175,000
Recast MOHCD Loans:	\$	12,927,684
Seller Carryback Loan:	\$	3,766,761
GP Capital for Short Term Work:	\$	800,000
GP Equity Contribution:	\$	1,050,000
Deferred Developer Fee:	\$	950,000
Equity:	\$	16,293,577
Total Sources:	\$	<u>49,963,022</u>

Uses of Funds:

Land Acquisition:	\$	25,625,000
Rehabilitation:	\$	15,587,885
Architectural & Engineering:	\$	1,398,361
Legal & Professional:	\$	220,000
Construction Interest & Fees:	\$	1,340,782
Permanent Financing:	\$	210,925
Reserves:	\$	854,784
Developer Overhead:	\$	4,000,000
Cost of Issuance:	\$	308,625
Other Costs:*	\$	<u>416,660</u>
Total Uses:	\$	<u>49,963,022</u>

Terms of Transaction:

Amount:	\$30,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Public Offering
Estimated Closing:	December 2017

Public Benefit:

A total of 92 families will continue to enjoy high quality, independent, affordable housing in the City of San Francisco, California.

Percent of Restricted Rental Units in the Project: 100%
68% (63 Units) restricted to 50% or less of area median income households; and
32% (29 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:	TBD
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Lubin Olson & Niewiadomski, LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$30,000,000 for One Church Street Apartments affordable multi-family housing facility located in the City and County of San Francisco, California.

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

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



490 SOUTH VAN NESS APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	BRIDGE Housing Corporation
Action:	Initial Resolution
Amount:	\$65,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of San Francisco, San Francisco County, California
Activity:	Affordable Housing
Meeting:	December 1, 2017

Background:

BRIDGE Housing Corporation (“BRIDGE”) is one of the country’s premier developers of affordable housing and master planned developments. Their mission is to produce large volumes of high-quality homes for seniors and families of very low, low and moderate-incomes. Since beginning active operations in 1983, BRIDGE has participated in the development of over 13,000 housing units in over 80 California communities, valued at more than \$3 billion. BRIDGE Property Management Company has had the management capacity to maintain quality standards and community responsiveness in nearly 8,000 rental units.

BRIDGE builds a range of housing types that both fit comfortably into their surroundings and act as a catalyst for revitalizing and strengthening neighborhoods. BRIDGE not only specializes in bringing affordable housing to all income levels, but it also works to develop housing for all age levels. BRIDGE has been a leader in providing high-quality affordable housing for seniors, helping to enhance the lives of all members of a community. The vast majority of the homes built by BRIDGE are affordable to families who earn approximately \$15,000 - \$50,000. The remainder is primarily affordable to households with moderate incomes. Approximately 78% of BRIDGE units are rentals; the balance of which is comprised of for-sale units affordable to first time homebuyers. BRIDGE is known for creating award winning affordable homes that not only depict the character of the community, but also display the same quality of design and construction as market rate housing.

The CMFA has facilitated over 10 BRIDGE projects.

The Project:

The 490 South Van Ness Apartments project is a new construction of an 81-unit multi-family affordable housing project located in the City of San Francisco. The project will bring an attractive asset to a site that has been vacant and blighted for many years, in the heart of San Francisco's Mission District, a neighborhood in dire need of affordable housing. The project is a joint venture of BRIDGE Housing Corporation ("BRIDGE") and Mission Housing Development Corporation ("MHDC"), serving families making between 30% and 60% of the Area Median Income, with 20 of the units set aside for public housing relocatees (from the HOPE SF projects) using project-based Section 8 vouchers. The building will feature studio, one-, two-, and three-bedroom units. Amenities include 85 spaces of ground-floor bike parking, on-site laundry facilities, two community rooms, on-site property management, on-site resident services, and two rooftop terraces. This financing will create 80 units of affordable housing for the City of San Francisco for 55 years.

The City and County of San Francisco:

The City of San Francisco is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$14,700 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$	33,404,303
MOHCD Gap Loan	\$	2,604,665
AHP Grant:	\$	800,000
GP Equity:	\$	1,664,006
Deferred Developer Fee:	\$	335,994
Equity:	\$	26,010,119
Total Sources:	\$	64,819,087

Uses of Funds:

Land Acquisition/Demo:	\$	379,324
Construction:	\$	49,878,608
Architectural & Engineering:	\$	4,090,714
Legal & Professional:	\$	1,359,685
Financing Costs:	\$	3,311,107
Reserves:	\$	1,611,437
Other Costs:*	\$	4,188,212
Total Uses:	\$	64,819,087

Terms of Transaction:

Amount:	\$65,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2017

Public Benefit:

A total of 80 families will enjoy high quality, independent, affordable housing in the City of San Francisco, California.

Percent of Restricted Rental Units in the Project: 100%
25% (20 Units) restricted to 30% or less of area median income households; and
10% (8 Units) restricted to 40% or less of area median income households; and
16% (13 Units) restricted to 50% or less of area median income households; and
49% (39 Units) restricted to 60% or less of area median income households
Unit Mix: Studio, One-, two- and three-bedrooms
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 approve an Initial Resolution of \$65,000,000 for 490 South Van Ness Apartments affordable multi-family housing facility located in the City and County of San Francisco, California.

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

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



CORNERSTONE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Jamboree Housing Corporation
Action:	Initial Resolution
Amount:	\$23,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Santa Ana, Orange County, California
Activity:	Affordable Housing
Meeting:	December 1, 2017

Background:

Jamboree's mission is to create opportunity for their residents with the homes they build and the services they provide. It's an opportunity for families, seniors and those with special needs to access homes they can afford, with distinctive resident services that are responsive and that strengthen the community.

They achieve their mission through the development and construction of new affordable rental and for-sale housing; the preservation of existing affordable housing units through acquisition and rehabilitation; and partnerships with cities to develop broader community and economic opportunities.

Founded in 1990 by the late Lila Lieberthal, a life-long affordable housing advocate, Jamboree has experienced steady growth and geographic expansion. Today, their portfolio includes development and/or ownership interest of nearly 6,300 affordable homes in 61 California communities – topping a market value of \$1 billion.

The Project:

The Cornerstone Apartments project is an acquisition/rehabilitation of a 127-unit multi-family affordable housing project located in the City of Santa Ana. The project will involve the rehabilitation of the existing structures. Rehabilitation will include the addition of a new community building to serve the residents and provide more space for programs. Property amenities will include laundry rooms in all buildings, courtyards with seating and landscaping, and tuck under parking in select locations. There will be a site needs assessment to determine if the property will benefit from programs including afterschool programs, ESL, computer literacy, financial literacy, and leadership. The units will be restricted to households with incomes no more than 50% of the area median income. The financing of this project will result in continuing to provide affordable housing for 126 households in the City of Santa Ana for another 55 years.

The County of Santa Ana:

The City of Santa Ana is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$11,250 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$	18,000,000
Existing City Debt:	\$	6,736,000
Seller Note:	\$	7,686,471
Equity:	\$	2,000,000
Total Sources:	\$	34,422,471

Uses of Funds:

Building Acquisition:	\$	17,300,000
Rehabilitation:	\$	9,826,667
Architectural & Engineering:	\$	940,000
Legal & Professional:	\$	190,000
Financing Costs:	\$	737,256
Soft Costs*:	\$	2,121,822
Reserves:	\$	343,026
Developer Fee:	\$	2,670,000
Cost of Issuance:	\$	293,700
Total Uses:	\$	34,422,471

Terms of Transaction:

Amount:	\$23,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2017

Public Benefit:

A total of 126 families will continue to be able to enjoy high quality, independent, affordable housing in the City of Santa Ana, California.

Percent of Restricted Rental Units in the Project: 100%
100% (126 Units) restricted to 60% or less of area median income households
Unit Mix: One- and two-bedrooms
Term of Restriction: 55 years

Finance Team:

Lender: TBD
Bond Counsel: Jones Hall, APLC
Issuer Counsel: Jones Hall, APLC
Lender Counsel: TBD
Borrower Counsel: Rutan & Tucker LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$23,000,000 for Cornerstone Apartments affordable multi-family housing facility located in the City of Santa Ana, Orange County, California.

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

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



CLAREMONT VILLAGE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	MRK Partners
Action:	Initial Resolution
Amount:	\$55,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Claremont, County of Los Angeles, California
Activity:	Affordable Housing
Meeting:	December 1, 2017

Background:

MRK Partners, Inc. is a multi-family real estate investment and asset management firm that specializes in the acquisition, repositioning and preservation of affordable housing. They invest in multi-family real estate in primary U.S. markets including California, Florida, Maryland, Virginia and Washington DC metro area.

MRK Partners was founded by Sydne Garchik, who prior to founding MRK, was directly responsible for the acquisition and asset management of over 3,000 units. Mr. Garchik oversaw the acquisition, renovation and stabilization of over 2,000 affordable units throughout the country, approximately 900 of which were Section 8 properties.

Since its beginning, MRK has developed or acquired more than 2,300 affordable housing units in five states. They are involved in revitalizing California communities through their affordable housing development and property management activities, the partnerships they establish and the investments they make in California neighborhoods, and through the free social services and supportive programs they provide to meet the needs of their residents.

The Project:

The Claremont Village Apartments project is an acquisition/rehabilitations of an affordable housing multifamily apartment complex located in the City of Claremont. The project is a 150-unit multifamily residential rental facility, located at 965 West Arrow Highway, Claremont, CA. The project was built in the 1970's and due to the age and condition of the project, it is in need of substantial rehabilitation. Amenities include gated access, covered parking, on-site leasing, laundry facilities, playground and basketball court. This financing will preserve 150 units of affordable housing for the City of Claremont for another 55 years.

The City of Claremont:

The City of Claremont is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$16,666 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$	45,000,000
Partnership Note:	\$	2,450,000
Deferred Developer Fee:	\$	5,800,000
Equity:	\$	21,970,000
Total Sources:	\$	<u>75,220,000</u>

Uses of Funds:

Land Acquisitions:	\$	5,400,000
Building Acquisition:	\$	48,600,000
Rehabilitation:	\$	9,750,000
Due Diligence/Closing Costs:	\$	155,000
Project Debt & Reserves:	\$	600,000
Developer Fee:	\$	8,805,000
Bond Fees:	\$	1,910,000
Total Uses:	\$	<u>75,220,000</u>

Terms of Transaction:

Amount:	\$55,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2017

Public Benefit:

A total of 150 low-income households will continue to be able to enjoy high quality, independent, affordable housing in the City of Claremont for another 55 years.

Percent of Restricted Rental Units in the Project: 100%
31% (46 Units) restricted to 50% or less of area median income households; and
69% (104 Units) restricted to 60% or less of area median income households.
Unit Mix: 2- & 3-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender: TDB
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel: Jones Hall, APLC
Lender Counsel: TDB
Borrower Counsel: Downs Pham & Kuei LLP
Financial Advisor: CBRE Capital Markets

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$55,000,000 for Claremont Village Apartments affordable multi-family housing facility located in the City of Claremont, Los Angeles County, California.

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

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



PIONEER GARDENS APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: MRK Partners

Action: Initial Resolution

Amount: \$55,000,000

Purpose: Finance Affordable Multi-Family Rental Housing Facility
Located in the City of Santa Fe Springs, County of Los Angeles, California

Activity: Affordable Housing

Meeting: December 1, 2017

Background:

MRK Partners, Inc. is a multi-family real estate investment and asset management firm that specializes in the acquisition, repositioning and preservation of affordable housing. They invest in multi-family real estate in primary U.S. markets including California, Florida, Maryland, Virginia and Washington DC metro area.

MRK Partners was founded by Sydne Garchik, who prior to founding MRK, was directly responsible for the acquisition and asset management of over 3,000 units. Mr. Garchik oversaw the acquisition, renovation and stabilization of over 2,000 affordable units throughout the country, approximately 900 of which were Section 8 properties.

Since its beginning, MRK has developed or acquired more than 2,300 affordable housing units in five states. They are involved in revitalizing California communities through their affordable housing development and property management activities, the partnerships they establish and the investments they make in California neighborhoods, and through the free social services and supportive programs they provide to meet the needs of their residents.

The Project:

The Pioneer Gardens Apartments project is an acquisition/rehabilitations of an affordable housing multifamily apartment complex located in the City of Santa Fe Springs. The project is a 141-unit multifamily residential rental facility, located at 11011 Cultura Street, Santa Fe Springs, CA. Due to the age and condition of the project, it is in need of substantial rehabilitation. Amenities include gated access, on-site leasing, laundry facilities, picnic areas with barbeque grills, and three playgrounds. This financing will preserve 141 units of affordable housing for the City of Santa Fe Springs for another 55 years.

The City of Santa Fe Springs:

The City of Santa Fe Springs is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$16,950 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$	46,700,000
Partnership Note:	\$	2,550,000
Deferred Developer Fee:	\$	5,930,000
Equity:	\$	22,770,000
Total Sources:	\$	<u>77,950,000</u>

Uses of Funds:

Land Acquisitions:	\$	5,600,000
Building Acquisition:	\$	50,400,000
Rehabilitation:	\$	10,110,000
Due Diligence/Closing Costs:	\$	155,000
Project Debt & Reserves:	\$	625,000
Developer Fee:	\$	9,130,000
Bond Fees:	\$	1,930,000
Total Uses:	\$	<u>77,950,000</u>

Terms of Transaction:

Amount:	\$55,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2017

Public Benefit:

A total of 141 low-income households will be able to enjoy high quality, independent, affordable housing in the City of Santa Fe Springs for another 55 years.

Percent of Restricted Rental Units in the Project: 100%
100% (141 Units) restricted to 60% or less of area median income households.
Unit Mix: 2- & 3-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	TDB
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TDB
Borrower Counsel:	Downs Pham & Kuei LLP
Financial Advisor:	CBRE Capital Markets

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$55,000,000 for the Pioneer Gardens Apartments affordable multi-family housing facility located in the City of Santa Fe Springs, Los Angeles County, California.

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

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



WEST OAKS APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Chelsea Investment Corporation
Action:	Initial Resolution
Amount:	\$7,500,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Carlsbad, San Diego County, California
Activity:	Affordable Housing
Meeting:	December 1, 2017

Background:

Chelsea Investment Corporation (“CIC”) is a real estate company focused on the financing and development of affordable housing. CIC provides financial engineering, development, asset management and property management services, as well as legal and non-profit experience to its development and investment partners and clients. Considered experts in the affordable housing sector, CIC has a strong and experienced team of professionals who identify and implement timely and cost-effective solutions to the many challenges of this market niche.

The CMFA has facilitated over 10 CIC projects.

The Project:

The West Oaks Apartments is a new construction of a 40-unit affordable housing development located in the City of Carlsbad, CA. The development will be made up of one-, two- and three-bedroom units. One unit will be a manager’s unit. Units will be restricted to 35% to 60% AMI. The project will include recreational facilities, laundry facilities, BBQ area, energy efficient appliances, air conditioning, and window coverings. This financing will create 39 units of affordable housing for the City of Carlsbad for 55 years.

The County of San Diego:

The County of San Diego is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the County is expected to receive approximately \$3,156 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$	5,049,663
Permanent Loan:	\$	3,832,000
Master Developer Gap Funding:	\$	1,095,264
Contribution of Infrastructure Costs:	\$	1,238,491
Deferred Developer Fee:	\$	579,705
City of Carlsbad Loan:	\$	1,000,000
Soft Loan Interest:	\$	67,155
Total Sources:	\$	<u>12,862,278</u>

Uses of Funds:

Land Acquisitions:	\$	1
Building Acquisition:	\$	1,238,492
Rehabilitation:	\$	6,766,436
A&E:	\$	522,523
Legal Fees:	\$	222,500
Reserves:	\$	111,906
Developer Impact and Permit Fees:	\$	823,460
Developer Fee:	\$	1,579,705
Developer Soft Costs:*	\$	1,196,105
Contingency:	\$	401,150
Total Uses:	\$	<u>12,862,278</u>

Terms of Transaction:

Amount:	\$7,500,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2017

Public Benefit:

A total of 39 families will be able to enjoy high quality, independent, affordable housing in the City of Carlsbad, California.

Percent of Restricted Rental Units in the Project: 100%
5% (2 Units) restricted to 35% or less of area median income households; and
5% (2 Units) restricted to 50% or less of area median income households; and
90% (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: TBD
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel: Jones Hall, APLC
Lender Counsel: TBD
Borrower Counsel: Odu & Associates

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$7,500,000 for West Oaks Apartments affordable multi-family housing facility located in the City of Carlsbad, San Diego County, California.

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

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



CORRECTIVE ACTIONS IN ANTICIPATION OF FEDERAL TAX REFORM

Subject: Corrective Actions in Anticipation of Federal Tax Reform

Meeting: December 1, 2017

Background:

On November 16, 2017, the United States House of Representatives passed a tax reform bill (H.R.1) (the “Bill”) which would, if enacted into law in pertinent part, eliminate the exemption from federal income taxation of interest on qualified private activity bonds or the portion thereof drawn down after the effective date of such Bill, and could, in turn, jeopardize the availability of continued funding from private activity bonds issued by the Authority (the “Bonds”) for one or more multifamily or other projects (the “Projects”) and continued funding from other sources a condition of which is the availability of tax-exempt bond financing, such as low income housing tax credits (the “Other Sources”).

In order to ensure the continued tax exemption of interest on the Bonds and the continued availability of the Other Sources of funding provided by the Bonds, and otherwise to mitigate, ameliorate or avoid the negative consequences or potential negative consequences of proposed federal tax reform on the Projects and on the Bonds, LIHTC and Other Sources of funding therefor, staff requests the Board to grant to the Executive Director and individual Board members the authority to take one or more corrective actions including, but not limited to the amendment of financing documents and other actions described in the accompanying Board resolution (collectively, the “Corrective Actions”).

Because the enactment into law of federal tax reform could come in 2018 with a retroactive effective date, it may be necessary to take Corrective Actions before the final provisions of such tax reform, if any, as enacted into law, are known.

Recommendation:

Counsel to the Authority recommends that the CMFA Board of Directors adopt a Resolution granting authority to take certain corrective actions in anticipation of federal tax reform to mitigate, ameliorate or avoid the negative consequences thereof to projects financed by the Authority.



INFORMATIONAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS

Item: Administrative Issues; A., B., C.

Action: Each meeting, the board has the opportunity to discuss, without taking any formal actions on items;

- A. Executive Director Report
- B. Transaction Update
- C. Legislative Update