



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).



BEACHWIND COURT (12th STREET) APARTMENTS PROJECT SUMMARY AND RECOMMENDATIONS

Applicant: Chelsea Investment Corporation

Action: Amending Final Resolution

Amount: \$2,165,220

Purpose: Approve Amendment to the Regulatory Agreement for Affordable Multi-Family Rental Housing Facility Located in the City of Imperial Beach, County of San Diego, California

Activity: Affordable Housing

Meeting: July 19, 2019

Amending Resolution – July 18, 2008

Approve a resolution authorizing the amendments to the regulatory agreement which was previously approved on July 18, 2008. The original bonds have been paid off and the developer is seeking a new loan.

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, they have 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 participated in over ten CIC projects.

The Project:

The Beachwind Court, formerly known as 12th Street Apartments, was an acquisition/rehabilitation of a 16-unit market rate multifamily property. The project converted the market rate apartments into low income housing which are rent restricted for 55 years. The property consists of 16 two-bedroom units. Each unit had \$40,000 allocated in direct construction cost to rehabilitate the units. The apartments received new appliances, flooring, paint, fixtures, window and doors as well as structural improvements, such as a new roof when necessary. The rehabilitation of the property created 16 units of affordable housing for Imperial Beach residents for 55 years.

The City of Imperial Beach:

The City of Imperial Beach is a member of the CMFA and held a TEFRA hearing on March 19, 2008. Upon closing, the City received \$1,353 as part of the CMFA's sharing of Issuance Fees.

Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 2,165,220	\$ 1,236,000
LIH Tax Credit Equity:	\$ 232,616	\$ 1,163,065
Income During Construction:	\$ 30,114	\$ 30,113
Deferred Developer Fee:	\$ 326,688	\$ 31,057
Direct & Indirect Public Funds:	<u>\$ 1,177,600</u>	<u>\$ 1,472,003</u>
Total Sources:	\$ 3,932,238	\$ 3,932,238

Uses of Funds:	
Acquisition/Land Cost:	\$ 2,110,000
Rehabilitation:	\$ 719,000
Relocation:	\$ 70,875
Architectural:	\$ 25,000
Survey and Engineering:	\$ 14,500
Contingency Costs:	\$ 89,506
Construction Interest and Fees:	\$ 154,308
Permanent Financing:	\$ 61,550
Legal Fees:	\$ 150,000
Capitalized Reserves:	\$ 39,489
Reports & Studies:	\$ 29,000
Other Project Costs*:	\$ 45,230
Developer Costs:	<u>\$ 423,778</u>
Total Uses:	\$ 3,932,236

Terms of Transaction:

Amount:	\$2,165,220
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Closed:	August 2008

Public Benefit:

A total of 16 low-income households enjoy high quality, independent, affordable housing in the City of Imperial Beach. The rehabilitation of this project provided affordable living in Imperial Beach for 55 years.

Percent of Restricted Rental Units in the Project: 100%
47% (7 Units) restricted to 50% or less of area median income households; and
53% (8 Units) restricted to 60% or less of area median income households.
Unit Mix: 2-bedrooms and one 5-bedroom unit
Term of Restriction: 55 years

Finance Team:

Lender:	U.S. Bank National Association
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Kutak Rock LLP
Borrower Counsel:	Pillsbury Winthrop Shaw Pittman LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Resolution amending the regulatory agreement and restrictive covenants for Beachwind Court Apartments located in the City of Imperial Beach, County of San Diego, California.

*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.



ST. ALBANS COUNTRY DAY SCHOOL SUMMARY AND RECOMMENDATIONS

Applicant:	St. Albans Country Day School
Action:	Amending Final Resolution
Amount:	\$2,300,000
Purpose:	Authorize Amending Resolution for St. Albans Country Day School, Located in the City of Roseville, County of Placer, California.
Activity:	Private School
Meeting:	July 19, 2019

Amending Final Resolution – May 17, 2013:

Approve a resolution authorizing the establishment of a new reset date for the bonds that were issued for the St. Albans Country Day School Project.

Background:

St. Albans Country Day School is a fully-accredited, independent, non-religious private school for pre-Kindergarten through eighth grade students. The school is committed to academic excellence in a nurturing environment. Their students build strong foundations that will sustain them throughout their education and their lives.

From the very earliest grades, their students learn the core subjects of math, science, history, social studies, English, computer skills and Spanish, plus important enrichment subjects of art, music, drama, and physical education. They attract and retain highly-qualified faculty who get to know each child as an individual throughout their St. Albans years and beyond. These dynamic teacher-student connections engage students in learning and help them develop the tools and self-confidence to excel inside and outside the classroom. The school is fully accredited by the Western Association of Schools and Colleges (WASC). The school has a maximum capacity of 240 students and each grade level is limited to 24 students.

The Project:

The proceeds of the Bonds were used to: (1) refinance the acquisition, construction, renovation and/or equipping of various educational facilities, which may include but are not limited to an administrative building, a pre-kindergarten, kindergarten and daycare building, new and renovated classrooms, a multipurpose building, a science laboratory, a computer laboratory and other educational facilities all on the campus of St. Albans Country Day School, located at 2312 Vernon Street, Roseville, California; and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The facilities are owned and operated by the Borrower. The financing will significantly reduce the school's overall interest costs and provide for improved cash flow and greater financial stability in the long run.

The City of Roseville:

The City of Roseville is a member of the CMFA and held a TEFRA hearing on April 17, 2013. Upon closing, the City received \$1,506 as part of the CMFA's sharing of Issuance Fees.

Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 2,260,000
Equity:	<u>\$ 168,142</u>
Total Sources:	\$ 2,428,142

Uses of Funds:

Existing Bank Loan:	\$ 2,255,708
Prepayment Penalty:	\$ 45,114
Legal & Professional:	\$ 20,000
Cost of Issuance:	<u>\$ 107,320</u>
Total Uses:	\$ 2,428,142

Terms of Transaction:

Amount:	\$2,300,000
Maturity:	June 2043
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement
Closing:	June 2013

Public Benefit:

St. Albans Country Day School believes that character and intellect are of equal importance. The school promotes integrity, empathy, and a concern for others. One way St. Alban students can learn about caring for others is their Kids Can annual canned food drive. Canned foods are distributed to families in need of assistance throughout the greater Sacramento area. Parents from each class and students help organize and work together to make this charitable event a success every year. Another way St. Alban students learn about helping and caring for others is their CHIPS Toy Drive. This important holiday project encourages families to donate new toys to children who are hospitalized or disadvantaged during the holiday season.

Finance Team:

Direct Purchaser Bank:	U.S. Bank National Association
Bond Counsel:	Jones Hall, APLC
Borrower's Counsel:	Meissner, Joseph & Palley
Direct Purchase Counsel:	Seyfarth Shaw, LLP
Issuer Counsel:	Jones Hall, APLC
Financial Advisor:	Dowdell Financial Services

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Amendment to the Final Resolution for the St. Albans Country Day School, Located in the City of Roseville, County of Placer, California.



PROPERTY ASSESSED CLEAN ENERGY (“PACE”) SUMMARY AND RECOMMENDATIONS

Action	Approve Resolutions and Related Items for the Collection of PACE Property Tax Assessments by Counties
Purpose:	Property Assessed Clean Energy (“PACE”)
Activity:	PACE Financing and Refinancing of Energy Efficiency, Water Efficiency, Renewable Energy Generation and Seismic Improvements
Meeting:	July 19, 2019

Background:

Property Assessed Clean Energy (“PACE”) programs help local economies and the environment by providing financing for energy and water efficient improvements and renewable energy systems. Communities with PACE programs have increased construction activity, created jobs, lowered utility bills and reduced greenhouse gas emissions. Property owners repay the financing through their property tax bill over the useful life of the installed products.

Discussion:

PACE property tax assessments are added to the property owner’s tax bills for collection by the county where the property is located. Some counties require annual authorizations by the Board of the taxing district in order to place the assessments on the tax roll. The CMFA Board is being asked to approve the following items for the respective counties:

1. County of San Joaquin Resolution
2. County of Yuba Resolution
3. County of Solano Resolution
4. County of Tulare Resolution
5. County of Riverside Resolution
6. County of Sutter Resolution
7. County of Tulare Compliance Certification and Hold Harmless Statement
8. County of San Mateo Resolution

The above listed items have been reviewed by Jones Hall, APLC.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve the above listed county resolutions and related items.



DEL MONTE MANOR APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Terrex Development Corp.

Action: Initial Resolution

Amount: \$55,000,000

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

Activity: Affordable Housing

Meeting: July 19, 2019

Amending Resolution – June 28, 2019

Approve a resolution authorizing the amendments to an Initial Resolution that was previously approved on June 28, 2019. The developer's construction cost estimates have come in higher than originally anticipated. Therefore, an increase to the original Initial Resolution from \$40,000,000 to \$55,000,000 is needed.

Background:

Terrex Development Corp. ("Terrex") specializes in assisting owners of aging affordable housing with recapitalizing and renovating their properties. Their sister company, TerraCorp, provides property management, tenant relocation and subsidy expertise to complement Terrex's finance and construction management services. Terrex and TerraCorp assist non-profit and for-profit affordable housing sponsors in preserving existing multifamily properties and in creating new communities.

Availability of quality affordable housing is an issue which touches everyone. Terrex sees housing as a pathway to improving lives by providing a safe, comfortable environment to call home. Their properties enhance the lives of the residents who live in them, and their surrounding communities. As properties age and the cost to maintain them increases, owners face many decisions on how to retain ownership while extending the lives of their communities.

Recapitalization proceeds can be reinvested into renovations and improvements, extending the life of the property for decades to come. By revitalizing the property, the quality of life for

residents is increased, maintenance expenses are reduced, and critically needed affordable housing for the long-term is preserved.

Terrex can provide the necessary capital and expertise to perform due diligence, secure funding and manage construction to bring new life to old projects. Excess funds can be used for owners' other objectives such as paying staff, operations overhead and new project development.

The Project:

The Del Monte Manor Apartments project is an acquisition/rehabilitation of a 192-unit market rate multi-family housing development. The unit mix includes 16 studios, 52 one-bedroom units, 92 two-bedroom units and 32 three-bedroom units. Two units will be reserved as manager's units. The proposed project will convert this currently unrestricted market rate apartment complex into a deed-restricted affordable housing project. Proceeds from the refinancing will be used to renovate the property, completing structural, mechanical, electrical and plumbing repairs and improvements, as well as new finishes and energy efficiency improvements. This work will preserve the units for long term occupancy and extend the useful life of the building. Amenities include a community room, playground and laundry room. This financing will add 190 units of affordable housing for the City of Seaside for the next 55 years.

The City of Seaside:

The City of Seaside is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$15,978 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 40,868,505
Seller Carryback Note:	\$ 16,639,184
GP Equity:	\$ 100
Accrued Seller Note Interest:	\$ 570,724
Income from Operations:	\$ 648,575
Equity:	<u>\$ 5,313,446</u>
Total Sources:	\$ 64,040,534

Uses of Funds:

Land Acquisition:	\$ 4,138,962
Building Acquisition:	\$ 16,575,847
Rehabilitation:	\$ 34,708,730
Architectural & Engineering:	\$ 652,903
Legal & Professional:	\$ 193,084
Loan Interest & Fees:	\$ 4,215,291
Syndication Costs:	\$ 55,000
Reserves:	\$ 535,787
Other Costs*:	\$ 2,498,416
Costs of Issuance:	<u>\$ 466,514</u>
Total Uses:	\$ 64,040,534

Terms of Transaction:

Amount:	\$55,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	November 2019

Public Benefit:

A total of 190 households will be able to enjoy high quality, independent, affordable housing in the City of Seaside, California for the next 55 years. There are no homeless units set aside in this project.

Percent of Restricted Rental Units in the Project: 100%
52% (98 Units) restricted to 50% or less of area median income households; and
48% (92 Units) restricted to 60% or less of area median income households
Unit Mix: Studio, 1-, 2- and 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:	Applegate and Thorne-Thomsen, P.C.
Financial Advisor:	Baker Tilly Virchow Krause LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$55,000,000 for Del Monte Manor Apartments affordable multi-family housing facility located in the City of Seaside, Monterey 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.



QUAIL RUN APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Eden Housing
Action:	Inducement Resolution
Amount:	\$80,000,000
Purpose:	Finance Affordable Rental Housing Facility Located in the City of Santa Rosa, Sonoma County, California
Activity:	Affordable Housing
Meeting:	July 19, 2019

Background:

Eden Housing's Mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors, and persons with disabilities.

Eden Housing was founded in May of 1968 by six community activists who were greatly concerned about the lack of non-discriminatory, affordable housing in Alameda County. These pioneers, working out of makeshift "headquarters" such as local coffee shops, were initiated into affordable housing development by rehabilitating six older homes in Oakland for first time homebuyer families.

Since those pioneering days, Eden Housing has developed or acquired more than 7,500 affordable housing units within 100 properties that have provided homes for more than 65,000 people over the years. Eden's housing now includes rental apartments, first-time homeowner opportunities, cooperatives, and supportive living environments for families, seniors and people with disabilities.

Eden Housing revitalizes 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 CMFA has facilitated over 15 Eden Housing projects.

The Project:

The Quail Run Apartments is an acquisition/rehabilitation of an existing 200-unit affordable housing project. The existing project is comprised of 1-, 2-, 3- and 4-bedroom units in seven buildings. There will be 199 affordable units restricted to 50% and 60% of AMI and one staff unit. The rehabilitation of the project will consist of substantial renovation to increase energy efficiency. The property contains a pool, playground, community building, exercise gym and a manager's office. The developer also provides community development services. This financing will preserve 199 units of affordable housing in the City of Santa Rosa for the next 55 years.

The City of Santa Rosa:

The City of Santa Rosa is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$18,666 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>
Tax-Exempt Bond Proceeds:	\$ 57,001,000
Existing Soft Loan:	\$ 431,202
Seller Takeback:	\$ 20,171,550
Existing Reserves:	\$ 5,268,481
Deferred Developer Fee:	<u>\$ 4,231,910</u>
Total Sources:	\$ 87,104,143

Uses of Funds:	
Land Acquisition:	\$ 200,000
Building Acquisition:	\$ 50,000,000
Rehabilitation:	\$ 15,477,025
Architectural & Engineering:	\$ 1,083,392
Legal & Professional:	\$ 410,900
Construction Interest:	\$ 3,226,966
Other & Reserves*:	\$ 5,019,122
Developer Fee:	\$ 10,966,659
Costs of Issuance:	<u>\$ 720,079</u>
Total Uses:	\$ 87,104,143

Terms of Transaction:

Amount:	\$80,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	March 2020

Public Benefit:

A total of 199 households will continue to be able to enjoy high quality, independent, affordable housing in the City of Santa Rosa for another 55 years.

Percent of Restricted Rental Units in the Project: 100%
10% (20 Units) restricted to 50% or less of area median income households; and
90% (179 Units) restricted to 60% or less of area median income households
Unit Mix: 1-, 2-, 3- and 4-bedroom units
Term of Restriction: 55 years

Finance Team:

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

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$80,000,000 for Quail Run Apartments affordable housing facilities located in the City of Santa Rosa, Sonoma 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.



MANZANITA FAMILY APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Satellite Affordable Housing Associates
Action:	Initial Resolution
Amount:	\$35,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Napa, Napa County, California
Activity:	Affordable Housing
Meeting:	July 19, 2019

Background:

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

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

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

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

- They believe that every person deserves a home
- They commit to communities for the long term
- Their comprehensive housing services empower their residents to thrive
- High quality design inspires people and builds community
- Green building practices lead to a healthy, sustainable society
- Innovation and thoughtful risk-taking are part of how they pursue excellence

The Project:

The Manzanita Family Apartments is a 51-unit new construction project serving low- and very low-income households, to be located at 2951 Soscol Avenue, Napa, California. 100% of the units will be rented to individuals and families earning less than or equal to 60% AMI. The development will be housed in a single three-story structure surrounding a central landscaped courtyard designed to foster a positive resident community. The unit mix includes 25 one-bedroom units, 13 two-bedroom units and 13 three-bedroom units. The project site is located in an area of primarily commercial and multi-family residential uses with single family residential uses inset from the primary roadways. The neighborhood is considered mature and stable with long-term expectations for continued demand for residential, retail, commercial, medical, and professional offices as the population of Napa grows. Unit amenities will include central heating and air, storage closet, and patio/balcony. Project amenities will include a community room, upper floor outdoor terrace, indoor bicycle storage, community vegetable garden, children's play area and shared laundry equipment, surveillance camera, and elevator. The complex will have 85 parking spaces, including 2 accessible spaces. This financing will create 50 units of affordable housing for households in the City Napa for 55 years.

The City of Napa

The City of Napa is a member of the CMFA and has been asked to hold a TEFRA hearing on August 20, 2019. Upon closing, the City is expected to receive approximately \$12,953 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 22,720,000
State HOME:	\$ 3,975,228
Local Financing:	\$ 4,050,265
FHLB AHP:	\$ 500,000
Equity:	\$ 1,300,632
Deferred Costs:	<u>\$ 1,305,811</u>
Total Sources:	\$ 33,851,936

Uses of Funds:

Land Acquisition:	\$ 2,417,000
New Construction:	\$ 21,200,729
Architectural & Engineering:	\$ 1,432,694
Legal and Professional:	\$ 404,121
Developer Fee:	\$ 3,500,000
Construction Interest & Fees:	\$ 1,777,481
Reserves:	\$ 549,629
Local Fees:	\$ 1,619,812
Real Estate Taxes/ Insurance During Const.:	\$ 196,391
Soft Cost Contingency:	\$ 328,403
Costs of Issuance:	<u>\$ 425,676</u>
Total Uses:	\$ 33,851,936

Terms of Transaction:

Amount:	\$35,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	February 2020

Public Benefit:

A total of 50 low income households will be able to enjoy high quality, independent, affordable housing in the City of Napa, California for the next 55 years.

There will be 2-6 units dedicated to homeless in coordination with the County Coordinated Entry System.

Percent of Restricted Rental Units in the Project: 100%
40% (20 Units) restricted to 30% or less of area median income households;
10% (5 Units) restricted to 50% or less of area median income households; and
50% (25 Units) restricted to 60% or less of area median income households.
Unit Mix: 1-, 2- and 3-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:	Gubb & Barshay LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$35,000,000 for Manzanita Family Apartments affordable multi-family housing facility located in the City of Napa, Napa 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.



BRIDGE BERKELEY WAY APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	BRIDGE Housing Corporation
Action:	Initial Resolution
Amount:	\$42,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Berkeley, Alameda County, California
Activity:	Affordable Housing
Meeting:	July 19, 2019

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:

BRIDGE Berkeley Way Affordable Apartments is an 89-unit affordable housing project located in Downtown Berkeley. The project site is located within the boundaries of the City of Berkeley's Downtown Area Plan. The Project will provide 89 units of housing restricted to households earning between 30% and 60% of AMI. The unit mix includes 35 studio units, 34 one-bedroom units and 20 two-bedroom units.

BRIDGE Berkeley Way Affordable is part of a larger project, the Berkeley Way Hope Center, which is comprised of three separate program uses, all within one building envelope with three separate air rights parcels:

- BRIDGE Berkeley Way Affordable Housing Development: 89 units of affordable housing
- BFHP Hope Center Temporary Housing: 44 temporary housing beds, supportive services spaces and office suite
- BFHP Hope Center Permanent Supportive Housing: 53 units of permanent supportive housing.

Berkeley Way Affordable will be a six-story building. It will consist of two levels of concrete construction, with four levels of wood frame construction above. The building will be certified under either the LEED or GreenPoint Rated sustainable building program. Because of the transit and amenity-rich location, the building will include no parking spaces. The ground floor will have shared community amenities such as a community room and laundry room, as well as management and services offices and utilities. Of the 89 units 88 units will be restricted to households earning 60% or less of the Area Median Income and one of the two-bedroom units will be an unrestricted manager's unit. This financing will create 88 units of affordable housing for the City of Berkeley for the next 55 years.

The City of Berkeley:

The City of Berkeley is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$15,389 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 37,335,000
Taxable Bond:	\$ 3,010,900
Alameda County A1:	\$ 12,172,804
City of Berkeley:	\$ 4,137,739
LP Equity:	<u>\$ 2,631,375</u>
Total Sources:	\$ 59,287,818

Uses of Funds:

Land Acquisition:	\$ 192,701
New Construction:	\$ 43,468,604
Architectural & Engineering:	\$ 2,679,932
Legal & Professional:	\$ 52,036
Construction Interest & Fees:	\$ 3,194,782
Developer Fee:	\$ 5,000,000

Other Costs*:	\$ 3,960,673
Costs of Issuance:	\$ 739,090
Total Uses:	\$ 59,287,818

Terms of Transaction:

Amount:	\$42,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	October 2019

Public Benefit:

A total of 88 households will be able to enjoy high quality, independent, affordable housing in the City of Berkeley, California for the next 30 years.

Percent of Restricted Rental Units in the Project: 100%
 100% (88 Units) restricted to 50% or less of area median income households
 Unit Mix: Studio, 1- and 2-bedroom units
 Term of Restriction: 55 years

Finance Team:

Lender:	Wells Fargo
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Goldfarb and Lipman LLP
Financial Advisor:	Community Economics, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$42,000,000 for BRIDGE Berkeley Way Apartments affordable multi-family housing facility located in the City of Berkeley, County of Alameda, 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” and 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.



BFHP HOPE CENTER PERMANENT SUPPORTIVE HOUSING APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	BRIDGE Housing Corporation
Action:	Initial Resolution
Amount:	\$19,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Berkeley, Alameda County, California
Activity:	Affordable Housing
Meeting:	July 19, 2019

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:

BFHP HOPE Center Permanent Supportive Housing is designed to serve those most in need of housing, the disabled and chronically homeless. Located in Downtown Berkeley, BFHP HOPE Center Permanent Supportive Housing is part of a mixed-use development consisting of 53 units of permanent supportive housing, as well as transitional housing, temporary housing, tax credit affordable housing units, community support spaces and supportive services. It will be developed by BRIDGE Housing Corporation ("BRIDGE") in partnership with Berkeley Food and Housing Project ("BFHP").

The larger Berkeley Way project is comprised of three separate program uses, all within one building envelope with three separate air rights parcels:

- BRIDGE Berkeley Way Affordable Housing Development: 89 units of affordable housing
- BFHP Hope Center Temporary Housing: 44 temporary housing beds, supportive services spaces and office suite
- BFHP Hope Center Permanent Supportive Housing: 53 units of permanent supportive housing.

The BFHP HOPE Center Permanent Supportive Housing and BFHP Hope Center Temporary Housing parcels will be co-located in one physical building ("BFHP Hope Center").

BFHP HOPE Center will be a six-story building. It will consist of one level of concrete construction, with five levels of wood frame construction above. The project has no parking requirement and as such no parking spaces will be provided for tenants.

The 53 units of permanent supportive housing within the BFHP HOPE Center Permanent Supportive Housing component, will include studio apartments on floors 3-6, with lounge areas, laundry room and storage. Residents of the BFHP HOPE Center Permanent Supportive Housing units will access the supportive services center developed as part of the BFHP Temporary parcel on the ground floor. BFHP will provide on-site supportive and resident services.

This mixed-use project includes the following additional design features:

- Open Space on the ground floor in the rear yard and in the front yard at the sidewalk.
- Bicycle parking at the ground level at the interior and exterior.
- The project will utilize the GreenPoint Rating System as authored by Build-It Green to pursue the goal of GreenPoint equivalent of LEED Gold.
- The landscape design will comply with all CaiGreen and East Bay MUD requirements.

This financing will create 53 units of affordable housing for the City of Berkeley for the next 55 years.

The City of Berkeley:

The City of Berkeley is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$10,495 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 16,793,525
Alameda County A1:	\$ 6,362,839
City of Berkeley:	\$ 6,000,000
LP Equity:	<u>\$ 1,250,787</u>
Total Sources:	\$ 30,407,151

Uses of Funds:

Land Acquisition:	\$ 62,000
New Construction:	\$ 25,172,398
Architectural & Engineering:	\$ 874,048
Legal & Professional:	\$ 60,000
Construction Interest & Fees:	\$ 1,248,669
Developer Fee:	\$ 1,000,000
Other Costs*:	\$ 1,654,033
Costs of Issuance:	<u>\$ 336,003</u>
Total Uses:	\$ 30,407,151

Terms of Transaction:

Amount:	\$19,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	October 2019

Public Benefit:

A total of 53 households will be able to enjoy high quality, independent, affordable housing in the City of Berkeley, California for the next 30 years.

Percent of Restricted Rental Units in the Project: 100%
100% (53 Units) restricted to 50% or less of area median income households
Unit Mix: Studio units
Term of Restriction: 55 years

Finance Team:

Lender:	Wells Fargo
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Goldfarb and Lipman LLP
Financial Advisor:	Community Economics, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$19,000,000 for BFHP Hope Center Permanent Supportive Housing affordable multi-family housing facility located in the City of Berkeley, County of Alameda, 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” and 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.



THE PEGASUS SCHOOL PROJECT SUMMARY AND RECOMMENDATIONS

Applicant:	The Pegasus School
Action:	Final Resolution
Amount:	\$13,000,000
Purpose:	Finance the Construction, Remodeling, Restructuring and Upgrading Facilities for the Pegasus School, located in the City of Huntington Beach, California.
Activity:	Private School
Meeting:	July 19, 2019

Amending Final Resolution – June 7, 2019

Approve a resolution authorizing the amendments to the Final Resolution that was approved on June 7, 2019. The project will now have a separate issuance for Series A and Series B. Series B will be issued after the School completes their capital campaign.

Background:

The Pegasus School is dedicated to academic excellence and to the development of lifelong learners who are confident, caring, and courageous. In 1984, Dr. Laura Hathaway founded The Pegasus School.

Dr. Hathaway's vision was to create an educational community in which it would be safe for gifted students to be smart; in which students' strong intellectual challenges would be matched by a thoughtful social and emotional embrace; in which teachers would provide a curriculum of high content and high interest to encourage students to "build wings so bright minds can soar." The Pegasus School emerged from collaboration with the University of California, Irvine to develop academically accelerated classes for gifted students, based on the model created by Dr. Julian Stanley at Johns Hopkins University.

Dr. Hathaway's dedication led to expansion of the school from her gifted summer camps to a Pre-K through 8th grade educational program. She hired a core group of outstanding teachers and established standards of high academic expectation with an appreciation for the gifts that each

individual brings to the community. In the 1990s, the school expanded to include a wider range of bright and motivated students who clearly benefited from the school's commitment to building a community where it was safe to be smart. The school purchased its current facility in 1995 and then began work to refurbish classrooms and expand buildings. The Palley Complex which serves fourth and fifth graders was added in 1997 and the Hathaway Activities Center was built in 2000 to provide a home for performance, art, and student athletics.

The Project:

The proceeds will be used to finance the costs of construction of a science and technology building, remodeling current middle school classrooms, restructuring a parking lot, and upgrading the middle school quad, including all associated design, engineering and planning costs related thereto and related capital project costs (collectively, the "Facilities") and paying related expenses incurred with respect to the Loans. The owner and operator of the Facilities will be the School, which is located at 19692 Lexington Lane, Huntington Beach, California.

The City of Huntington Beach:

The City of Huntington Beach is a member of the CMFA and held a TEFRA hearing on June 3, 2019. Upon closing, the City is expected to receive \$7,166 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bonds:	\$ 10,500,000
Capital Campaign Contributions:	<u>\$ 4,500,000</u>
Total Sources:	\$ 15,000,000

Uses of Funds:

Rehabilitation:	\$ 800,000
New Construction:	\$ 11,900,000
Architectural & Engineering:	\$ 1,600,000
Legal & Professional:	\$ 500,000
Cost of Issuance:	<u>\$ 200,000</u>
Total Uses:	\$ 15,000,000

Terms of Transaction:

Amount:	\$13,000,000
Maturity:	Series A- 30 years Series B- 10 years
Collateral:	Operating Revenues/ Personal Property/ Equipment
Bond Purchasers:	Private Placement
Estimated Closing:	July 2019

Initial Public Benefit:

The Pegasus School is dedicated to academic excellence and to the development of lifelong learners who are confident, caring, and courageous. The Pegasus students love to learn, to be challenged, and to work hard; they are bright and motivated; they are joyful; they grow in both intellect and empathy. The Pegasus teachers inspire, nurture and guide. They love to teach; they are flexible, creative, collaborative, and innovative; they foster each student's individual gifts and passions. The Pegasus parents value education; they work closely with the school in a partnership based on thoughtful communication and mutual respect. The Pegasus alumni are lifelong learners and engaged citizens; they are confident and competent; they value their Pegasus education and friendships.

Initial Finance Team:

Placement Agent:	Hilltop Securities Inc.
Purchaser:	First Republic Bank
Special Tax Counsel:	Hawkins Delafield & Wood LLP
Issuer Counsel:	Jones Hall, APLC
Purchaser Counsel:	Hawkins Delafield & Wood LLP
Borrower's Counsel:	Stradling Yocca Carlson & Rauth, PC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$13,000,000 for the Pegasus School located in the City of Huntington Beach, County of Orange, California.

*The information mandated by California Government Code Section 5852.1, including the true interest cost, finance charge, amount of proceeds received from the sale, and the total payment amount to final maturity is attached to this report.



CORNERSTONE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Jamboree Housing Corporation
Action:	Final Resolution
Amount:	\$20,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Santa Ana, Orange County, California
Activity:	Affordable Housing
Meeting:	July 19, 2019

Background:

Jamboree Housing Corporation's ("Jamboree") 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 126-unit multi-family affordable housing project located in the City of Santa Ana. The project provides 126 restricted rental units, including one restricted manager unit, distributed as 120 one-bedroom units and 6 two-bedroom units. Building exterior renovations will include new roofs, new windows, siding and fascia repair, new handrails, seismic retrofit and fresh paint. Interior renovations will include upgrades to the manager's office. Apartment units will be updated with new kitchen appliances, countertops and cabinets, new bathroom vanities, plumbing fixtures, hot water heaters, flooring, window coverings, ceiling fans and fresh paint. Seven units will be renovated with visual and hearing upgrades. Site area renovations will include pavement and walkway repairs, ADA path-of-travel improvements and new signage. The rehabilitation is expected to begin in July 2019 and be completed in April 2020. 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 City of Santa Ana:

The City of Santa Ana is a member of the CMFA and held a TEFRA hearing on February 5, 2019. Upon closing, the City is expected to receive approximately \$10,781 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 17,250,000	\$ 8,509,000
LIH Tax Credit Equity:	\$ 1,578,479	\$ 10,523,192
Deferred Developer Fee:	\$ 0	\$ 2,158,857
Deferred Costs:	\$ 2,362,570	\$ 0
Seller Carryback Loan:	\$ 3,020,559	\$ 3,020,559
City of Santa Ana:	\$ 8,632,441	\$ 8,632,441
Seller Credit:	\$ 630,000	\$ 630,000
Replacement Reserves:	\$ 235,861	\$ 235,861
Santa Ana CHDO:	<u>\$ 96,532</u>	<u>\$ 96,532</u>
Total Sources:	\$ 33,806,442	\$ 33,806,442

Uses of Funds:	
Acquisition/Land Purchase:	\$ 17,500,000
Rehabilitation:	\$ 6,812,503
Relocation:	\$ 150,000
Contractor Overhead & Profit:	\$ 676,099
Architectural:	\$ 820,000
Survey & Engineering:	\$ 505,000
Construction Interest & Fees:	\$ 1,378,776
Permanent Financing:	\$ 107,840
Legal Fees:	\$ 200,000
Reserves:	\$ 342,808
Appraisal:	\$ 10,000
Hard Cost Contingency:	\$ 748,860
Other Project Costs*:	\$ 674,005
Developer Costs:	<u>\$ 3,880,551</u>
Total Uses:	\$ 33,806,442

Terms of Transaction:

Amount:	\$20,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	August 2019

Public Benefit:

A total of 126 households will continue to be able to enjoy high quality, independent, affordable housing in the City of Santa Ana, California. There are no onsite homeless units.

Percent of Restricted Rental Units in the Project: 100%
99% (125 Units) restricted to 50% or less of area median income households;
1% (1 Units) restricted to 60% or less of area median income households.
Unit Mix: One- and two-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	Union Bank
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Davis Wright Tremaine LLP
Borrower Counsel:	Rutan & Tucker LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$20,000,000 for Cornerstone Apartments affordable multi-family housing facility located in the City of Santa Ana, Orange County, California.

*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.

**The information mandated by California Government Code Section 5852.1, including the true interest cost, finance charge, amount of proceeds received from the sale, and the total payment amount to final maturity is attached to this report.



RIVER SPRINGS CHARTER SCHOOL PROJECT SUMMARY AND RECOMMENDATIONS

Applicant:	River Springs Charter School, Inc.
Action:	Final Resolution
Amount:	\$7,000,000
Purpose:	Finance Working Capital for River Springs Charter School, located in Temecula, County of Riverside, California.
Activity:	Charter School
Meeting:	July 19, 2019

Background:

The River Springs Charter Schools' Mission is to empower students by fostering their innate curiosity, engaging their parents, and promoting optimum learning by collaboratively developing a personalized learning program for each student. They provide learners with a personalized 21st century education. Their partnership with parents and students transforms learning from factory-model to custom-made, ensuring that students have the experiences and skills necessary to achieve their dreams.

Every student in River Springs Charter Schools' network is on a personalized education journey which includes a rich diversity of skills development, curriculum, and extracurricular activities. Their teachers work with students and their families to foster creativity, build relationships, nurture talents, and prepare them to succeed in the world beyond the classroom.

- 17 student centers serve over 8,000 Springs Charter Schools students in TK-12th grade across Southern California.
- 14 Elementary student center locations
- 14 Junior High student center locations
- 9 High School student center locations
- Over 2,500 students are primarily homeschooled and are visited in their homes by credentialed teachers on a regular basis.
- 900 employees work diligently every day to provide the students with a high-quality personalized education.

The Springs Charter Schools network serves children throughout the counties of Imperial, Inyo, Kern, Los Angeles, Orange, Riverside, San Bernardino, and San Diego. Student centers are

provided in Riverside, Corona, Temecula, Indio, Hemet, Murrieta, Santa Ana, Chula Vista, Vista, Menifee, and Rancho Cucamonga.

Springs Charter Schools was created and is operated by parents. They understand that every child is on a personalized educational journey. Teachers work hard to incorporate a rich diversity of skills development, curriculum, and extracurricular activity into each day, and staff works hard to direct the school's resources where students need them most.

The Project:

The Borrower has requested that the Authority will issue the California Municipal Finance Authority Revenue Anticipation Notes for the purpose, among others, of financing working capital for the Borrower's operations and pay certain expenses incurred in connection with the issuance of the notes. Pursuant to a Note Purchase Contract, among Stifel, Nicolaus & Company, Incorporated, as underwriter, the Authority and the Borrower, the Notes will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project (which is defined as working capital), and to pay costs incurred in connection with the issuance of the Notes. The River Springs Charter School is located at 27740 Jefferson Avenue, Temecula, CA 92590.

The County of Riverside:

The County of Riverside is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the County is expected to receive approximately \$3,333 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 5,000,000
Total Sources:	\$ 5,000,000

Uses of Funds:

Working Capital:	\$ 4,900,000
Cost of Issuance:	\$ 100,000
Total Uses:	\$ 5,000,000

Terms of Transaction:

Amount:	\$7,000,000
Maturity:	August 2020
Collateral:	State Apportionment Receivables
Bond Purchasers:	Limited Public Offering
Rating:	Unrated
Estimated Closing:	August 2019

Public Benefit:

River Springs Charter School was created and is operated by parents. Their talented teachers work hard to incorporate a rich diversity of skills development, curriculum, and extracurricular activity into each day. And their staff works hard to direct the school's resources where our students need them most. As a charter school, they are part of the solution to a better education system. They are dedicated to ensuring that no student is left behind!

Finance Team:

Underwriter:	Stifel, Nicolaus & Company, Inc.
Bond Counsel:	Stradling Yocca Carlson & Rauth, P.C.
Issuer's Counsel:	Jones Hall, APLC
Borrower's Counsel:	Linda Rhoads-Parks Attorney at Law
Underwriter Counsel:	Kutak Rock LLP
Financial Advisor:	Delta Managed Solutions, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Final Resolution of \$7,000,000 for the River Springs Charter School located in the City of Temecula, County of Riverside, California.



FINANCIAL ADVISORY AND ADMINISTRATIVE SERVICES CONTRACT

Subject: Financial Advisory and Administrative Services Contract

Action: Approve RFP Process

Meeting: July 19, 2019

Background:

On April 26, 2013, CMFA entered into an agreement with the State Treasurer in which CMFA agreed to let the contract for its financial advisory services pursuant to a full, fair and transparent RFP process conducted at least every three years.

In 2016, CMFA, CFSC and CFPF conducted such an RFP process and subsequently entered into a three-year contract with Sierra Management Group LLC for certain professional services, including financial advisory and administrative services. That contract is due to expire on January 24, 2020.

CMFA, CFSC and CFPF will need to enter into a new financial advisory and administrative services agreement in accordance with existing contractual commitments to the State Treasurer, preferably before the existing agreement expires.

Recommendation:

The Executive Director recommends the granting of authority to the Executive Director and Jones Hall to conduct a new RFP process for financial advisory and administrative services.



LEGAL MATTERS ABOVE SMALL CLAIMS AMOUNT IN CONTROVERSY

Subject: Legal Matters Above Small Claims Jurisdiction

Meeting: July 19, 2019

Background:

From time to time, the CMFA could become involved in legal matters with an amount in controversy over \$10,000 (the limit for small claims court). In order to protect its interests, it may be desirable for CMFA to engage litigation counsel, waive actual and potential conflicts, and negotiate and agree to indemnity, defense, settlement, waiver, release and confidentiality agreements, and other related matters. The deadline to take such actions without prejudicing the CMFA's interests may occur before the next regular board meeting.

On June 7, 2019, the Board authorized the Executive Director, in consultation with CMFA's regular issuer's counsel, to engage litigation counsel, waive actual and potential conflicts, and negotiate and agree to indemnity, defense, settlement, waiver, release and confidentiality agreements, and all other related matters in furtherance of the protection of the interests of the CMFA, in claims, controversies or disputes with an amount in controversy not more than \$10,000. Any actions taken pursuant to this authority would be reported to the Board of Directors at the next meeting.

This agenda item would extend that authority to litigation and other legal disputes with amounts in controversy above \$10,000 (or no amount at all). The Executive Director and CMFA general counsel would consult with two board members before taking any such action (one of whom would be the Chair, unless unavailable). Any actions taken pursuant to this authority would be reported to the Board of Directors at the next meeting.

Recommendation:

Authorize the Executive Director, in consultation with CMFA's regular issuer's counsel, to engage litigation counsel, waive actual and potential conflicts, and negotiate and agree to indemnity, defense, settlement, waiver, release and confidentiality agreements, and all other related matters in furtherance of the protection of the interests of the CMFA, in claims, controversies or disputes with an amount in controversy above \$10,000, or where no amount at all is in controversy. The Executive Director and CMFA general counsel would consult with two board members before taking any such action (one of whom would be the Chair, unless unavailable). Any actions taken pursuant to this authority would be reported to the Board of Directors at the next meeting.

California Municipal Finance Authority

Statement of Income and Expense vs. Budget

July 2018 through June 2019

	Jul '18 - Jun 19	Budget	\$ Over Budget
Income			
Annual Fee Income	4,468,572	3,510,000	958,572
Application Fee Income	58,000	10,000	48,000
Issuance Fees	2,335,079	2,360,000	-24,921
Total Income	6,861,651	5,880,000	981,651
Expense			
Bank Service Charges	3,870	2,000	1,870
Charitable Grants - Restricted	88,310	90,000	-1,690
Charitable Grants -Unrestricted	2,112,499	1,693,000	419,499
Dues and Subscriptions	225		
Insurance	91,206	100,000	-8,794
JPA Member Distributions	702,234	500,000	202,234
Marketing	36,090	37,000	-910
Outside Services	0	4,000	-4,000
Professional Fees	3,664,736	3,262,800	401,936
Travel & Entertainment	17,006	18,000	-994
Total Expense	6,716,176	5,706,800	1,009,376
Net Ordinary Income	145,475	173,200	-27,725
Interest Income	1,892	0	1,892
Other Income	0	40	-40
Total Other Income	1,892	40	1,852
Other Expense			
Other Expense	0	4,000	-4,000
Net Other Income	1,892	-3,960	5,852
Net Income	147,367	169,240	-21,873

California Municipal Finance Authority

Statement of Income and Expense

July 2018 through June 2019

	Jul '18 - Jun 19	Jul '17 - Jun 18	\$ Change
Income			
Annual Fee Income	4,468,572	3,630,668	837,904
Application Fee Income	58,000	15,000	43,000
Issuance Fees	2,335,079	3,443,311	-1,108,232
Total Income	6,861,651	7,088,979	-227,328
Expense			
Bank Service Charges	3,870	843	3,027
Charitable Grants - Restricted	88,310	285,852	-197,542
Charitable Grants -Unrestricted	2,112,499	2,058,894	53,605
Dues and Subscriptions	225	225	0
Insurance	91,206	89,687	1,519
JPA Member Distributions	702,234	1,036,666	-334,432
Marketing	36,090	37,845	-1,755
Miscellaneous	0	633	-633
Office Supplies	0	245	-245
Postage and Delivery	0	75	-75
Professional Fees	3,664,736	3,734,143	-69,407
Travel & Entertainment	17,006	13,912	3,094
Total Expense	6,716,176	7,259,020	-542,844
Net Ordinary Income	145,475	-170,041	315,516
Interest Income	1,892	84	1,808
Net Income	147,367	-169,957	317,324

California Municipal Finance Authority

Statement of Financial Position

As of June 30, 2019

	<u>Jun 30, 19</u>	<u>Jun 30, 18</u>	<u>\$ Change</u>
ASSETS			
Checking/Savings			
Wells CDLAC (#8131)	2,071,938	2,148,700	-76,762
Wells Checking (#4713)	643,090	620,148	22,942
Total Checking/Savings	<u>2,715,028</u>	<u>2,768,848</u>	<u>-53,820</u>
Accounts Receivable	33,231	82,457	-49,226
Prepaid Expenses	7,585	7,516	69
TOTAL ASSETS	<u>2,755,844</u>	<u>2,858,821</u>	<u>-102,977</u>
LIABILITIES & EQUITY			
Accounts Payable	17,097	45,649	-28,552
Accrued Expenses	48,920	193,951	-145,031
Refundable Deposits	2,071,938	2,148,700	-76,762
Total Liabilities	<u>2,137,955</u>	<u>2,388,300</u>	<u>-250,345</u>
Equity			
Retained Earnings	470,522	640,479	-169,957
Net Income	147,367	-169,957	317,324
Total Equity	<u>617,889</u>	<u>470,522</u>	<u>147,367</u>
TOTAL LIABILITIES & EQUITY	<u>2,755,844</u>	<u>2,858,822</u>	<u>-102,978</u>



INFORMATIONAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS

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



PROCEDURAL ITEMS FOR THE CFSC SUMMARY AND RECOMMENDATIONS

Items: A1, A2, A3

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

CHARITABLE GRANT GUIDELINES

Recipient: Board Members of the California Foundation for Stronger Communities

Purpose: To Provide an Outline of Charitable Grant Guidelines

CHARITABLE GUIDELINES:

1. Ensure charitable donations are directed towards organizations that:
 - a. Are in California communities.
 - b. Find it difficult to receive funding through other sources.
 - c. Have not received a charitable donation in the last year. This is not meant to include those organizations that have enjoyed a fee reduction through a CMFA financing.
 - d. Do not require compliance monitoring by the CMFA or CFSC.
 - e. Are not in a category listed below:
 - i. Individuals, including individual scholarship or fellowship assistance
 - ii. For-profit entities, including start-up businesses
 - iii. Political, labor, religious, or fraternal activities
 - iv. Endowments
 - v. Film or video projects, including documentaries
 - vi. Travel, including student trips or tours
 - vii. Promotional merchandise
 - viii. Organizations other than IRS 501(c)(3), 501(c)(6), governmental, or tribal entities
 - ix. Governmental entities, if the donation will supplant governmental funds
2. A staff report must be provided to the Board at least 24 hours before donations are recommended or approved. Funds will not be disbursed on a cash advance basis.
3. CFSC staff may publicize donations in order to leverage the benefits to CMFA and CFSC of this unique charitable giving program. CFSC staff, and not board members, should be the point of contact with municipal staff, elected officials, recipient and press in coordinating and publicizing all donations to avoid even the appearance that board members are serving their personal or financial interests in recommending donations.
4. Suggested categories the CMFA through the CFSC could direct funds are:
 - a. Health Care
 - b. Education
 - c. Human Services
 - d. Affordable Housing
 - e. Cultural
 - f. Targeted Populations: Youth, Seniors, Low/Moderate Income Individuals, Victims of Abuse, Neglect or Crime, Disabled Veterans
5. Staff will distribute and process all charitable grants.

California Association of Food Banks

1624 Franklin Street, Suite 722

Oakland , CA 94612

County

Alameda

www.cafoodbanks.org

FEIN

68-0392816

Founded: 1985

Previous Donation: ☒ Yes ☐ No 20,000 6/7/2019 List Date 7/19/2019

Mission:

California Association of Food Banks (CAFB) is a membership organization of 41 food banks from throughout the state with a shared mission to build a well-nourished California and a firm commitment to providing cutting-edge leadership in the anti-hunger community.

Our major programs include Farm to Family, which works with growers and packers to provide fresh produce to food banks; statewide programs for food stamp outreach and enrollment; robust state and federal advocacy efforts; produce education; and member services that offer assistance with special projects as well as technical support.

Impact:

A donation would assist the organization in their mission of ending hunger in California

Financial Information:

IRS Form 990 for FY 2016

Revenues:	Amount	%	Notes
Government/Earned	\$23,967,874	94.4%	Please see the attached listing of individual food banks that are a member of this coalition. If you wish to donate to one of them specifically, Please indicate in your resolution.
Contributions	1,428,189	5.6%	
Other	<u>2,387</u>	<u>0.0%</u>	
Total Revenue:	<u>\$25,398,450</u>	<u>100.0%</u>	
Expenses:			
Program	\$23,667,655	95.7%	
Administration	937,930	3.8%	
Fund Raising	<u>116,750</u>	<u>0.5%</u>	
Total Expenses:	<u>\$24,722,335</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$676,115</u>		
Net Assets:	<u>\$4,055,169</u>		

BOD: Andy Souza; Nicole Suydam; Lisa Houston; James Floros; Kathy Jackson; David Goodman; Anne Holcomb; Michael Flood; Larry Sly; Dave Martinez; Tom Tenorio; Shirley King; Mark Lowry; Kevin Sanchez; Al Brislain; Sara Griffen; Patricia L. Nickols-Butler;

California Foundation For Stronger Communities

Statement of Income and Expense vs. Budget

July 2018 through June 2019

	Jul '18 - Jun 19	Budget	\$ Over Budget
Ordinary Income/Expense			
CMFA JPA Member Donation	2,240	0	2,240
CMFA Restricted Grants	88,310	90,000	-1,690
CMFA Operations Grants	14,099	14,000	99
CMFA Unrestricted Grants	2,098,400	1,675,000	423,400
Total Income	2,203,049	1,779,000	424,049
Expense			
Restricted Charity Payments	90,550	90,000	550
Unrestricted Charity Payments	2,098,400	1,675,000	423,400
Total Charitable Payments	2,188,950	1,765,000	423,950
Dues and Subscriptions	150	0	150
Miscellaneous	0	2,000	-2,000
Office Supplies	479	0	479
Accounting Fees	13,460	12,000	1,460
State Taxes	10	0	10
Total Expense	2,203,049	1,779,000	424,049
Net Ordinary Income	0	0	0
Interest Income	31	8	23
Net Income	31	8	23

California Foundation For Stronger Communities

Statement of Income and Expense

July 2018 through June 2019

	Jul '18 - Jun 19	Jul '17 - Jun 18	\$ Change
Ordinary Income/Expense			
Restricted Income			
CMFA JPA Member Donation	2,240	9,192	-6,952
CMFA Restricted Grants	88,310	285,852	-197,542
Total Restricted Income	90,550	295,044	-204,494
Unrestricted Income			
CMFA Operations Grants	14,099	11,874	2,225
CMFA Unrestricted Grants	2,098,400	2,047,000	51,400
Total Unrestricted Income	2,112,499	2,058,874	53,625
Total Income	2,203,049	2,353,918	-150,869
Expense			
Business License & Fees	0	20	-20
Charitable Payments			
Restricted Charity Payments	90,550	295,044	-204,494
Unrestricted Charity Payments	2,098,400	2,047,000	51,400
Total Charitable Payments	2,188,950	2,342,044	-153,094
Dues and Subscriptions	150	150	0
Office Supplies	479	234	245
Accounting Fees	13,460	11,460	2,000
State Taxes	10	10	0
Total Expense	2,203,049	2,353,918	-150,869
Net Ordinary Income	0	0	0
Interest Income	31	8	23
Net Income	31	8	23

California Foundation For Stronger Communities

Statement of Financial Position

As of June 30, 2019

	<u>Jun 30, 19</u>	<u>Jun 30, 18</u>	<u>\$ Change</u>
ASSETS			
Wells Fargo Checking (#4721)	5,438	5,407	31
Accounts Receivable	13,460	159,151	-145,691
TOTAL ASSETS	<u>18,898</u>	<u>164,558</u>	<u>-145,660</u>
LIABILITIES & EQUITY			
Accrued Expenses	13,460	159,151	-145,691
Total Liabilities	<u>13,460</u>	<u>159,151</u>	<u>-145,691</u>
Equity			
Retained Earnings	5,407	5,398	8
Net Income	31	8	23
Total Equity	<u>5,438</u>	<u>5,407</u>	<u>31</u>
TOTAL LIABILITIES & EQUITY	<u>18,898</u>	<u>164,558</u>	<u>-145,660</u>

Donations as of 6/28/2019

