



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).



425 AUZERAIS APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	EAH Inc.
Action:	Initial Resolution
Amount:	\$75,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of San Jose, Santa Clara County, California
Activity:	Affordable Housing
Meeting:	October 16, 2020

Background:

EAH Housing ("EAH") is a nonprofit corporation founded with the belief that attractive affordable housing is the cornerstone to sustainable, living communities. Established in 1968, EAH has become one of the largest and most respected nonprofit housing development and management organizations in the western United States. With a staff of over 450, EAH develops low-income housing, manages 100 properties in California and Hawaii, and plays a leadership role in local, regional and national housing advocacy efforts.

Starting from grass-roots origins in response to the death of Dr. Martin Luther King Jr., EAH now serves over 20,000 seniors, families, students, people with disabilities, frail elderly and the formerly homeless. Combining award winning design, innovative on-site services and a commitment to people, EAH reflects the distinctive personality of each community.

EAH is dedicated to building communities that enhance the surrounding neighborhoods. The organization has developed 92 properties with an aggregate value of more than \$1 billion and manages 9,800 units in 50 municipalities in California and Hawaii. EAH has received multiple national awards for property management, 11 design awards and numerous commendations from legislators on the federal, state and local levels.

The CMFA has facilitated over 10 EAH projects.

The Project:

The 425 Auzerai Apartments is the new construction of a multifamily affordable housing project located at 425 Auzerai Avenue, San Jose, CA. The project will consist of 130 units, made up of studio, 1- and 2-bedroom units, with one unit designated as a manager unit. The project will be built on a 1.03-acre L-shaped site and use a smaller building footprint in order to provide approximately 15,000 square feet of outdoor open space, which will also serve as a buffer to nearby single-family homes. Vehicle and bicycle parking for the units will be provided in the above-ground podium along with other common areas and amenities. Amenities will include a community room, computer room, laundry facilities and a bicycle storage room. The project will also offer services such as supportive services for formerly homeless residents as well as resident services including health and wellness, career, education and financial literacy programming. The project will be restricted to households earning 30-70% of Area Median Income. This financing will create 129 units of affordable housing for low-income households in the City of San Jose for the next 55 years.

The City of San Jose:

The City of San Jose is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$20,000 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax Exempt Financing:	\$ 65,000,000
IIG Funds:	\$ 5,500,000
County of Santa Clara:	<u>\$ 13,374,398</u>
Total Sources:	\$ 83,874,398

Uses of Funds:

Land Acquisition:	\$ 13,799,436
New Construction:	\$ 57,272,809
Architectural & Engineering:	\$ 2,784,625
Legal & Professional:	\$ 500,000
Permits & Fees:	\$ 3,367,528
Soft Costs:	\$ 650,000
Financing & Carrying Costs:	<u>\$ 5,500,000</u>
Total Uses:	\$ 83,874,398

Terms of Transaction:

Amount:	\$75,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	June 2021

Public Benefit:

The financing will create high quality, independent, affordable housing for 129 households in the City of San Jose, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%
50% (64 Units) restricted to 30% or less of area median income households;
33% (43 Units) restricted to 50% or less of area median income households; and
17% (22 Unit) restricted to 70% or less of area median income households.
Unit Mix: Studio, 1- & 2-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 Corp.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$75,000,000 for the 425 Auzerais Avenue Apartments affordable multi-family housing facility located in the City of San Jose, Santa Clara County, California.

Note: This transaction is subject to review and approval of 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.



3706 SAN PABLO APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: EAH Inc.

Action: Amending Final Resolution

Amount: \$39,559,500

Purpose: Finance Affordable Multi-Family Rental Housing Facility Located in the City of Emeryville and the City of Oakland, Alameda County, California

Activity: Affordable Housing

Meeting: October 16, 2020

Amendment – April 28, 2017 Final Resolution:

The Final Resolution for 3606 San Pablo Apartments was previously approved at the April 28, 2017 CMFA Board meeting. The Borrower anticipates that a modification to the agreements related to the Loan may be necessary and that would increase the weighted average maturity of the Bonds and, thereby, trigger a reissuance of the Bonds under federal tax law.

Background:

EAH Housing (“EAH”) is a nonprofit corporation founded with the belief that attractive affordable housing is the cornerstone to sustainable, living communities. Established in 1968, EAH has become one of the largest and most respected nonprofit housing development and management organizations in the western United States. With a staff of over 450, EAH develops low-income housing, manages 100 properties in California and Hawaii, and plays a leadership role in local, regional and national housing advocacy efforts.

Starting from grass-roots origins in response to the death of Dr. Martin Luther King Jr., EAH now serves over 20,000 seniors, families, students, people with disabilities, frail elderly and the formerly homeless. Combining award winning design, innovative on-site services and a commitment to people, EAH reflects the distinctive personality of each community.

EAH is dedicated to building communities that enhance the surrounding neighborhoods. The organization has developed 92 properties with an aggregate value of more than \$1 billion, and manages 9,800 units in 50 municipalities in California and Hawaii. EAH has received multiple

national awards for property management, eleven design awards and numerous commendations from legislators on the federal, state and local levels.

The CMFA has facilitated over ten EAH projects.

The Project:

The 3706 San Pablo Apartments is a new construction project located at 3706 San Pablo Avenue, Emeryville, CA. The project is located on the border of the City of Emeryville and the City of Oakland. The project will have 86 units, with one to four bedroom units, serving as permanent housing for individuals and families. The project will be restricted to households earning 60% or less of Area Median Income. On-site amenities will include property management, community open space, play area, Zen garden, sky deck, computer lab, on-site service coordinator, and employment assistance. This financing will create 86 units of affordable housing for low-income households in the City of Emeryville and the City of Oakland for 55 years.

The Cities of Emeryville and Oakland:

The City of Emeryville and The City of Oakland are members of the CMFA and held TEFRA hearings on February 2, 2017. Upon closing, the City of Emeryville and the City of Oakland shared \$16,260 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 41,000,000	\$ 10,396,100
LIH Tax Credit Equity:	\$ 1,500,000	\$ 26,844,907
Emeryville Land Donation:	\$ 4,500,000	\$ 4,500,000
State HCD Infill Infrastructure Grant:	\$ 2,500,000	\$ 2,500,000
State AHSC Program:	\$ 2,500,000	\$ 5,400,000
City of Oakland:	\$ 2,000,000	\$ 2,000,000
City of Emeryville:	\$ 4,500,000	\$ 4,500,000
County/HOME/HOPWA/CDBG Funds:	\$ 2,520,658	\$ 2,520,658
AHP Funds:	\$ 860,000	\$ 860,000
Deferred Developer Fee:	\$ 0	\$ 3,000,000
Interest Accrued on Soft Loans:	\$ 0	\$ 241,896
GP Equity:	\$ 250,000	\$ 1,027,875
Total Sources:	\$ 62,130,658	\$ 63,791,436

Uses of Funds:	
Acquisition/ Land Purchase:	\$ 4,587,206
New Construction:	\$ 42,191,588
Architectural Fees:	\$ 1,177,453
Survey & Engineering Fees:	\$ 354,550
Construction Interest and Fees:	\$ 3,490,222
Permanent Financing:	\$ 196,961
Legal Fees:	\$ 90,000
Reserves:	\$ 780,086
Appraisal:	\$ 16,000
Contingency Cost:	\$ 2,109,579
Soft Costs, Marketing, etc.*:	\$ 4,297,790

Developer Costs:	\$ 4,500,000
Total Uses:	\$ 63,791,436

Terms of Transaction:

Amount:	\$39,559,500
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Closing:	June 2017

Public Benefit:

The project will offer an on-site service coordinator, computer learning and employment assistance for residents. Amenities will include community open space, play area, zen garden, sky deck, and computer lab. A total of 86 senior households will be able to enjoy high quality, independent, affordable housing in the City of Emeryville and the City of Oakland, California for 55 years.

Percent of Restricted Rental Units in the Project: 100%
 30% (26 Unit) restricted to 30% or less of area median income households; and
 10% (9 Units) restricted to 40% or less of area median income households; and
 41% (35 Units) restricted to 50% or less of area median income households; and
 19% (16 Units) restricted to 60% or less of area median income households.
 Unit Mix: Studio & 1-, 2-, 3-, 4- bedroom units
 Term of Restriction: 55 years

Finance Team:

Lender:	Wells Fargo Bank, N.A.
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Sheppard Mullin Richter & Hampton LLP
Borrower Counsel:	Bocarsly Emden Cowan Esmail & Arndt LLP
Financial Advisor:	Community Economics, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a reissuance Resolution of \$39,559,500 for 3706 San Pablo Apartments affordable multi-family housing facility located in the Cities of Emeryville and Oakland, Alameda 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.



VOCATIONAL VISIONS SUMMARY AND RECOMMENDATIONS

Applicant:	Vocational Visions
Action:	Final Resolution
Amount:	\$3,500,000
Purpose:	Finance and Refinance Certain Facilities Located in the City of Mission Viejo, Orange County, California
Activity:	Health Facility
Meeting:	October 16, 2020

Background:

Vocational Visions is a non-profit agency located in Mission Viejo, CA which provides vocational and life skills training and support services to adults with intellectual/developmental and other disabilities. Vocational Visions shared a long partnership with the Saddleback Valley Unified School District since 1974 when their program began with 30 participants and a staff of five. This partnership ended as a result of California Assembly Bill AB 86 which was passed in 2013. They currently serve almost 500 participants annually and have a staff of just under 200, comprised of company employees and instructional aides.

All of their participants are identified by state agencies as requiring health and/or vocational rehabilitation. Effective treatment increases the level of functioning for many of these men and women, thus maximizing their quality of life vocationally, economically, and socially. At no charge to their participants, they offer a variety of comprehensive services for adults with developmental and other disabilities.

They offer seven comprehensive programs for people with intellectual/developmental and other disabilities including:

- Adult Development Program
- Day Training Activity Center Alambre
- Day Training Activity Center Pala
- Emeritus Program
- Health Related Services Program
- House of Champions Clubhouse
- Supported Employment

The Project:

The proceeds of the Bonds will be lent to Vocational Visions to (a) refund the outstanding California Health Facilities Financing Authority Insured Revenue Bonds (Vocational Visions), 2010 Series A (the “2010 Bonds”), issued for the Corporation to refinance then existing loans on, and to renovate, two buildings located at 26401 Pala and 23612 Alambre in Mission Viejo, California, used in connection with its various programs for the developmentally disabled (the “Facilities”), and (b) to further renovate the Facilities (the “2020 Project”).

The City of Mission Viejo:

The City of Mission Viejo is a member of the CMFA and held a TEFRA hearing on October 6, 2020. Upon closing, the City is expected to receive approximately \$2,333 as part of the CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bonds:	\$ 2,625,000
Taxable Bonds:	\$ 50,000
OIP:	\$ 767,529
Existing DSRF:	\$ 175,736
Corporate Equity:	<u>\$ 62,750</u>
Total Sources:	\$ 3,681,015

Uses of Funds:

Rehabilitation:	\$ 1,500,000
Refunding Escrow:	\$ 1,730,000
DSRF:	\$ 165,372
Miscellaneous:	\$ 6,710
Cal-Mortgage Insurance:	\$ 104,933
Cost of Issuance:	<u>\$ 174,000</u>
Total Uses:	\$ 3,681,015

Terms of Transaction:

Amount:	\$3,500,000
Maturity:	15 years
Bond Rating:	Standard & Poor’s AA- (based on CalMortgage)
Credit Enhancement:	CalMortgage
Collateral:	CalMortgage, Deed of Trust
Bond Purchasers:	Institutional & Retail Investors
Estimated Closing:	November 2020

Public Benefit:

Vocational Visions provides vocational and life skills training and support services to adults with intellectual/developmental and other disabilities. All participants are identified by state agencies as requiring health and/or vocational rehabilitation.

Finance Team:

Underwriter:	Piper Sandler & Co.
Bond Counsel:	Quint & Thimmig, LLP
Issuer Counsel:	Jones Hall APLC
Municipal Advisor:	Wulff, Hansen & Co.
Credit Enhancement Provider:	Office of Statewide Health Planning and Development (Cal-Mortgage)
Underwriter Counsel:	McDougal, Love, Boehmer, Foley, Lyon & Canlas, APC
Disclosure/Borrower Counsel:	Jennings, Strouss & Salmon P.L.C.
Trustee:	U.S. Bank National Association

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$3,500,000 for the Vocational Visions project located in the City of Mission Viejo, 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.



WINDSOR MOBILE COUNTRY CLUB SUMMARY AND RECOMMENDATIONS

Applicant: Resident Owned Parks, Inc.

Action: Final Resolution

Amount: \$16,650,000

Purpose: Refund Bonds for an Affordable Mobile Home Park Located in the Town of Windsor, County of Sonoma, California

Activity: Affordable Housing (Mobile Home Park)

Meeting: October 16, 2020

Background:

Resident Owned Parks, Inc. ("ROP"), located in Sacramento, is a California nonprofit public benefit corporation. The mission of ROP is to own and manage mobile home parks in order to preserve affordable housing for low-income persons. ROP owns and operates parks in California (8) and Washington (3).

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

The Project:

The Project is a 336-site, age 55 and over mobile home park, constructed in three phases beginning in the mid-1960's on 43.25 acres. Amenities include a one-story clubhouse with a large main hall and kitchen, community room, swimming pool, dog park, laundry room and game room. Trash collection services are paid directly by residents. Gas, electricity, water, and sewer utilities are sub-metered and paid by residents.

The home mix consists of 311 doublewide units and 25 singlewide units. One home is owned by ROP. The tenancy of the Project is composed primarily of low-income persons as defined under applicable State law, with an average of 1.5 persons per space. The average annual occupancy rate for the Spaces in the Project for each of the five prior fiscal years has been 100%.

ROP has requested that the Authority issue and sell revenue bonds in the maximum principal amount of not to exceed \$16,650,000 (the "Bonds") for the purpose of: (a) refinancing the debt of ROP WMCC LLC, a California limited liability company (the "Borrower") incurred in connection with the acquisition, construction, improvement and equipping of a 336-space mobile home park owned and operated by the Borrower and located at 8109 Conde Lane in Windsor, California, (b) fund solar system energy improvements, (c) funding a reserve account in connection with the issuance of the Bonds, and (d) paying certain costs of issuing the Bonds (collectively, the "Project"). The Project is owned by the Borrower and is currently operated by Resident Owned Parks, Inc., a California nonprofit public benefit corporation, which is the sole member of the Borrower. A number of the spaces in the mobile home park are rented to persons and families of low or very low income.

The County of Sonoma:

The County of Sonoma is a member of the CMFA and has been asked to approve the financing. Upon closing, the County is expected to receive approximately \$10,406 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Taxable Bond Proceeds:	\$ 16,140,000
Prior DSRF:	\$ 904,500
Prior Bond Funds:	<u>\$ 635,500</u>
Total Sources:	\$ 17,680,000

Uses of Funds:

Refunding Escrow:	\$ 12,995,000
Solar Equipment:	\$ 2,970,000
Debt Service Reserve Fund:	\$ 1,080,000
Cost of Issuance:	<u>\$ 635,000</u>
Total Uses:	\$ 17,680,000

Terms of Transaction:

Amount:	\$16,650,000
Estimated Rating:	Unrated
Maturity:	October 2049
Collateral:	Deed of Trust on property
Bond Purchasers:	Qualified Institutional Buyers
Estimated Closing:	October 2020

Public Benefit:

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

Percent of Restricted Rental Pads in the Project: 20%
20% (67 spaces) restricted to 50% or less of area median income household, however, 306 households, out of 336 (91%) total households, met the low-income level based on the state Sonoma County median income level.
Pad Mix: Single- & Double-Wide
Term of Initial Restriction: 30 years

Finance Team:

Underwriter:	Westhoff, Cone & Holmstedt
Bond & Disclosure Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Underwriter Counsel:	Norton Rose Fulbright US LLP
Borrower Counsel:	Levy, Levy and Levy
Oversight Agent:	Wolf & Company Inc.
Trustee:	MUFG Union Bank, NA

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$16,650,000 of taxable bonds for the Windsor Mobile Country Club project located in the Town of Windsor, Sonoma County, 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.



LA MAESTRA COMMUNITY HEALTH CENTERS SUMMARY AND RECOMMENDATIONS

Applicant:	La Maestra Family Clinic, Inc.
Action:	Final Resolution
Amount:	\$14,500,000
Purpose:	Finance and Refinance Certain Facilities Located in the City of San Diego, County of San Diego, California
Activity:	Health Facilities
Meeting:	October 16, 2020

Background:

La Maestra Family Clinic, Inc., doing business as La Maestra Community Health Centers (“La Maestra” or the “Corporation”), is a California nonprofit public benefit corporation. La Maestra was established in 1991 and owns and operates 15 primary care sites, ten dental suites, and three school-based health centers in central, east and south San Diego County, California. The Corporation has been providing programs and services to more than 45,000 individuals annually. Of these, 84% of patients were living at or below 200% of the federal poverty level and 57% preferred to be provided care in a language other than English.

The community of City Heights served by La Maestra is federally designated as a Medically Underserved Area and a Medically Underserved Population. There are no county hospitals in San Diego and the small network of community clinics, like La Maestra, provides the only existing safety net.

In fiscal year 2020, the Corporation provided billable healthcare services for approximately 165,197 visits for different programs at its facilities. In addition to revenues from operations, federal, State, private foundation and local grants as well as individual donations support the Corporation.

The Corporation’s clinical services include integrative primary and specialty care, and preventive care including chronic disease management, screening, health management, physical exams, immunizations, comprehensive perinatal services, cardiology, women’s health care, in-house lab services, specialty referrals, mental health and substance use disorder counseling, medication assisted treatment (“MAT”), and integrated behavioral health, naturopathic services, chiropractic, preventive and restorative dentistry, podiatry, job training, housing assistance, insurance eligibility, and a food pantry, among others. All health care is provided on an outpatient basis.

The Corporation also provides health education and social services. La Maestra Family Dental Clinics provide a wide range of comprehensive oral health care services including free screenings, diagnostic, preventive and restorative procedures, endodontics, periodontics, prosthetics, and oral surgery.

The Project:

La Maestra has requested that the Authority issue and sell revenue bonds in the maximum principal amount of not to exceed \$14,500,000 (the "Bonds") for the purpose of: (a) refinancing the debt of the Borrower incurred in connection with the acquisition, construction, improvement and equipping of a health clinic (the "Facility") owned and operated by the Borrower and located in San Diego, California, (b) funding a reserve account in connection with the issuance of the Bonds, and (c) paying certain costs of issuing the Bonds (collectively, the "Project").

The County of San Diego:

The County of San Diego is a member of the CMFA and is being asked to approve the financing. Upon closing, the County is expected to receive approximately \$7,400 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bonds:	\$ 14,050,000
Existing DSRF:	\$ 1,178,580
Trustee Held Funds:	<u>\$ 293,781</u>
Total Sources:	\$ 15,522,361

Uses of Funds:

Refunding Escrow:	\$ 14,400,031
DSRF:	\$ 516,375
Cal-Mortgage Insurance:	\$ 374,381
Cost of Issuance:	<u>\$ 231,574</u>
Total Uses:	\$ 15,522,361

Terms of Transaction:

Amount:	\$14,500,000
Maturity:	18 years
Bond Rating:	Standard & Poor's AA- (based on CalMortgage)
Credit Enhancement:	CalMortgage
Collateral:	CalMortgage, Deed of Trust
Bond Purchasers:	Institutional & Retail Investors
Estimated Closing:	November 2020

Public Benefit:

The Corporation has been providing programs and services to more than 45,000 individuals annually. Of these, 84% of patients were living at or below 200% of the federal poverty level and 57% preferred to be provided care in a language other than English.

Finance Team:

Underwriter:	Piper Sandler & Co.
Bond Counsel:	Quint & Thimmig, LLP
Issuer Counsel:	Jones Hall APLC
Municipal Advisor:	Wulff, Hansen & Co.
Credit Enhancement Provider:	Office of Statewide Health Planning and Development (Cal-Mortgage)
Underwriter Counsel:	McDougal, Love, Boehmer, Foley, Lyon & Canlas, APC
Disclosure/Borrower Counsel:	Jennings, Strouss & Salmon P.L.C.
Trustee:	U.S. Bank National Association

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$14,500,000 for the La Maestra Community Health Centers project located in the City of San Diego, County of San Diego, 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.



2020 CMFA/ CFSC/ CFPF Regular Meeting Schedule

Meetings will begin at 10:00 am Telephonically Only:
Please Check with Agenda for Dial In Number and Passcode.

January '20						
Su	M	Tu	W	Th	F	Sa
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February '20						
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March '20						
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April '20						
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May '20						
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June '20						
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July '20						
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August '20						
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September '20						
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October '20						
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November '20						
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29	30					

December '20						
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27	28	29	30	31		



CMFA Meetings



Holidays

* Please refer to posted agenda for correct time and addresses of meeting.



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 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).



KEYS FAMILY DAY SCHOOL SUMMARY AND RECOMMENDATIONS

Applicant:	Keys Family Day School
Action:	Amending Resolution
Amount:	\$13,000,000
Purpose:	Finance and/or Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Facilities, Located in the City of Palo Alto, California.
Activity:	Private School
Meeting:	October 16, 2020

Authorizing Amendment

In 2010, CMFA and First Republic Bank made a 30-year tax exempt loan to the Keys Family Day School. Per the Master Loan Agreement (“MLA”), the interest rate terms were set for 10 years, and then designed to convert to a new rate based on a number of options available to the school. The school has selected a 10-year rate. At the end of the 10-year period, the school can choose from among the options in the MLA for the remainder of the term. In order to effect this agreement, we’ll need to amend the MLA to (i) set the new rate for 10 years and (ii) lower the interest rate floor. The Executive Director recommends adopting the resolution.

From Original Staff Report:

Background:

During the 1930’s Key School founders Betsy Danon and Inge Zumwalt were teaching at an elementary school, their school soon merged with a local military school and the beginning of Keys Schools was formed.

Keys School is an independent, K-8 school that offers a broad hands-on curriculum. It fosters high academic achievement and emphasis balanced growth – intellectually, physically, emotionally, and socially – for every student. Within a diverse and highly supportive community, Keys is committed to maintaining a caring and creative environment that encourages child to love learning, to take intellectual risks, and to treat others with respect and empathy.

While high academic achievement is one result, the ultimate goal of learning is to create independent, curious, self-directed learners who can apply knowledge and deep understanding not only in the realm of abstract theory and thought, but also in the context of real-world problems.

Keys School unites its students with community resources through numerous field trips, educational assemblies and a multitude of community service. The Students recently had the opportunity to participate in a classroom activity, performance and play with the inspiring touring program, The Spirit of Uganda, an advocacy group for AIDS awareness and prevention. Students have also participated in a variety of activities raising money for Bay Area charities as well as worked with the community and local hardware stores in reducing carbon dioxide emissions.

The Project:

The proceeds of the Bonds will be loaned to Keys Family Day School, Inc., a California not-for-profit corporation (the "Corporation"), pursuant to a loan agreement. The Corporation will use such moneys to provide a plan of financing to: (i) refinance an outstanding bank loan that financed the acquisition of land and construction of various improvements to the Corporation's Middle School Campus located at 3981 El Camino Real, Palo Alto, California (the "El Camino Campus"); (ii) fund certain other capital expenditures, renovations, equipment and relocation expenditures at the El Camino Campus and the Corporation's property located at 2890 Middlefield Road, Palo Alto, California (the "Middlefield Campus"); and (iii) pay other expenses related to the issuance of the Bonds, including but not limited costs of issuance (collectively, the "Project"). The Project will be owned and operated by the Corporation.

The City of Palo Alto:

The City of Palo Alto is a member of the CMFA and held the TEFRA on August 2, 2010. The City received \$7,333 as part of CMFA's sharing of Issuance Fees.

Project Financing:

Sources of Funds:

Bond Proceeds:	\$ 12,000,000
Total Sources:	\$ 12,000,000

Uses of Funds:

Refinance Bank Loan:	\$ 10,500,000
Improvements:	\$ 1,500,000
Total Uses:	\$ 12,000,000

Terms of Transaction:

Amount:	\$13,000,000
Rate:	Multi-modal
Maturity:	2040
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Closing:	November 2010

Public Benefit:

Keys School is an integral part of the community and the neighborhood. The School provides a highly regarded educational program that motivates students to reach their fullest academic potential by providing them with engaging learning projects, teaching them to work collaboratively, and developing their skills as lifelong learners.

While high academic achievement is one result, the ultimate goal of learning is to create independent, curious, self-directed learners who can apply knowledge and deep understanding not only in the realm of abstract theory and thought, but also in the context of real-world problems and situations.

Keys School unites its students with community resources through numerous field trips, educational assemblies and a multitude of community service projects. The students have had the opportunity to participate in a classroom activity, performance and play with the inspiring touring program, The Spirit of Uganda, an advocacy group for AIDS awareness and prevention. Students have also participated in a variety of activities raising money for Bay Area charities as well as worked with the community and local hardware stores in reducing carbon dioxide emissions.

Keys School has a Financial Aid Policy that seeks to attract and retain families whose values are consistent with the School's overall mission. The School also recognizes that diversity in population provides for a richer overall school experience. Financial aid is therefore a crucial component in the School's efforts to continually broaden the socio-economic diversity of the School. The School endeavors to make its education affordable to all qualified applicants, regardless of a family's ability to pay, while at the same time emphasizing that the primary responsibility for financing a student's education rests with the family. Financial aid funding is provided through the School's general operating budget, and the School strives to maintain an annual aid percentage that is at or above the California Association of Independent Schools ("CAIS") average for similar schools

Finance Team:

Bond Purchaser:	First Republic Bank
Purchaser Counsel:	Sidley Austin LLP
Bond Counsel:	Hawkins Delafield & Wood LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Cox, Castle & Nicolson LLP
Financial Advisor:	Stone & Youngberg LLC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a First Amendment to a Master Loan Agreement related to the financing of the Keys Family Day School, City of Palo Alto, County of Santa Clara.