



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).



POSADA DE COLORES APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	LANDIS Development, LLC
Action:	Final Resolution
Amount:	\$25,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facilities Located in the City of Oakland, Alameda County, California
Activity:	Affordable Housing
Meeting:	November 6, 2020

Amendment – August 25, 2017 Final Resolution:

The Final Resolution for Posada de Colores Apartments was previously approved at the August 25, 2017 CMFA Board meeting. The Project requires and extension to the mandatory permanent financing conversion deadline and that would increase the weighted average maturity of the Bonds and, thereby, trigger a reissuance of the Bonds under federal tax law.

Background:

LANDIS aims to improve the livability of historically neglected communities by working with local groups to improve their neighborhood through comprehensive development. The company was borne out of the idea that the fabric of all communities is the variety and quality of its housing, its retail services, and access to employment and enjoyment.

LANDIS Development, LLC is a fully integrated eco-urban real estate development and services company dedicated to creating positive living environments. LANDIS Development, LLC offers Consulting & Advisory Services and through its development activities seeks to create high quality rental and for-sale housing including workforce, affordable and market rate. LANDIS specializes in urban infill mixed-use projects and the preservation and development of affordable housing for families and seniors.

The principals of LANDIS have developed and/or preserved over 1,400 affordable and market rate housing units. LANDIS has experience in developing a range of development types in both urban and suburban settings. LANDIS excels at structuring and providing solutions to complex development challenges. They have developed master plans and award-winning affordable homes

that not only mirror the character of the community but also display the same quality of design and construction as market-rate housing.

The Project:

The Posada de Colores Apartments is an acquisition/rehabilitation of an existing affordable housing multifamily project. The project is a 100-unit multifamily residential rental facility located at 2221 Fruitvale Avenue, Oakland, CA. The eight-story reinforced concrete building occupies a total of .56 acres. Each apartment unit has an all-electric kitchen, full-sized bath and separate entry from the elevator lobby. The units will be restricted to households earning up to 50% of AMI. Building amenities include two community rooms, a recreation room, coin operated laundry and on-site parking. The project will involve in-place rehabilitation of all 100-units and common areas. The rehab work will include upgrades to the exterior/interior portions of the building, mechanical, electrical and plumbing systems upgrades and various landscaping additions. This financing will continue to preserve 99 units of affordable housing for the City of Oakland for another 55 years.

The City of Oakland

The City of Oakland is a member of the CMFA and held a TEFRA hearing on January 26, 2017. Upon closing, the City is expected to receive approximately \$12,610 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 25,000,000	\$ 10,480,100
Accrued/Deferred Interest:	\$ 310,690	\$ 310,690
Reserves:	\$ 637,200	\$ 637,200
LIH Tax Credit Equity:	\$ 1,286,647	\$ 12,719,469
Developer Equity:	\$ 100	\$ 100
Deferred Developer Fee:	\$ 1,917,965	\$ 1,917,965
Unity Council Perm Loan:	\$ 0	\$ 5,100,000
Seller Carryback Loan:	\$ 9,157,436	\$ 9,157,436
City of Oakland RDA funds:	\$ 450,000	\$ 450,000
Net Income from Operations:	\$ 0	\$ 144,267
Total Sources:	\$ 38,760,038	\$ 40,917,227

Uses of Funds:

Land Cost/ Acquisition:	\$ 19,210,000
Rehabilitation:	\$ 9,856,000
Relocation:	\$ 950,000
Contractor Overhead & Profit:	\$ 0
Architectural Fees:	\$ 230,200
Survey & Engineering:	\$ 135,000
Construction Interest & Fees:	\$ 1,908,204
Permanent Financing:	\$ 107,601
Legal Fees:	\$ 95,000
Reserves:	\$ 1,462,959
Appraisal:	\$ 30,589
Hard Cost Contingency:	\$ 1,488,706

Local Development Impact Fees:	\$	143,447
Soft Costs, Marketing, etc.*:	\$	731,556
Development Costs:	\$	<u>4,567,965</u>
Total Uses:	\$	40,917,227

Terms of Transaction:

Amount:	\$25,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Closing:	November 2017

Public Benefit:

A total of 99 households will continue to be able to enjoy high quality, independent, affordable housing in the City of Oakland, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%
 100% (99 Units) restricted to 50% or less of area median income households.
 Unit Mix: 1-bedrooms
 Term of Restriction: 55 years

Finance Team:

Lender:	Wells Fargo Bank NA
Bond Counsel:	Jones Hall APLC
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Sheppard Mullin Richter & Hampton LLP
Borrower Counsel:	Goldfarb & Lipman LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$25,000,000 for Posada de Colores Apartments affordable multi-family housing facility located in the City of 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.



OCEANSIDE VA HEALTH CARE CENTER SUMMARY AND RECOMMENDATIONS

Applicant: Cole of Oceanside CA, LP

Action: Final Resolution

Amount: up to \$100,000,000

Purpose: Refinance the Acquisition, Construction, Improvement and Equipping of the Oceanside VA Health Care Center located in Oceanside, County of San Diego, California.

Activity: VA Health Care Center Facilities Lease

Meeting: November 6, 2020

Background:

Borrower:

Cole of Oceanside CA, LP (the "Borrower"), a limited partnership, duly organized and validly existing under the laws of the State of Delaware. The Borrower owns an approximate 77,180 rentable square foot two-story building (65,465 net usable square feet), located on approximately 8.4 acres in Oceanside, California (the "Facility"). The Facility was developed as a "build-to-suit" property in conjunction with the United States of America (the "Government") acting by and through its Department of Veterans Affairs (the "VA"). The Government leases the facility from the Borrower pursuant to U.S. Government Lease for Real Property No. VA101-183R-664-09-06 dated May 6, 2008, as amended (the "VA Lease") that expires on August 10, 2030. The VA operates the Facility as the Oceanside VA Health Care Center – an outpatient clinic within the San Diego VA Healthcare System.

On the Closing Date, NLCA BSM VA Oceanside LP LLC, a Delaware limited liability company ("BSM"), NLCA DFB VA Oceanside LP LLC, a Delaware limited liability company ("DFB") and NLCA VA Oceanside LLC, a Delaware limited liability company ("NLCA Oceanside" and, together with BSM and DFB, the "Acquirer(s)") will acquire 100% of the partnership interests in the Borrower from the Borrower's existing general partner and limited partners. Following the acquisition, BSM and DFB will each own 49.95% of the partnership interests in the Borrower, and NLCA Oceanside will own 0.1% of the partnership interests in the Borrower.

The Borrower is a single-purpose entity. For the year ended December 31, 2019 revenue received under the terms of the VA Lease accounted for 100% of the revenue of the Borrower.

The Acquirer is an affiliate of Net Lease Capital Advisors, LLC ("NLCA"). The Acquirer and its affiliates will acquire 100% of the partnership interests in the Borrower on the Closing Date. Principals of NLCA and its affiliates have experience in developing, acquiring and managing facilities similar to the Facility. Among those similar projects are:

- An approximate 400,000 square foot outpatient health care center in Kernersville, North Carolina leased to the VA;
- A 53,600 square foot primary care annex and 2,334 space parking garage in Birmingham, Alabama leased to the Government for use by the VA;
- A 123,500 square foot ambulatory surgery center in Eugene, Oregon leased to the Government for use by the VA;
- A 162,500 square foot office building in Minneapolis, Minnesota leased to the FBI;
- A 134,000 square foot office building in Portland, Oregon leased to the FBI; and
- A 474,700 square foot office, lab and exhibition facility in St. Louis, Missouri leased to the National Archives Records Administration.

The Facility:

The Facility consists of an approximate 77,180 rentable square foot two-story building (65,465 net usable square feet), located on approximately 8.4 acres in Oceanside, California (the "Facility"). The Facility was developed as a "build-to-suit" property in conjunction with the VA.

The Facility is located approximately 5 miles from Marine Corps Base Camp Pendleton which houses over 42,000 active duty personnel. More than 77,000 military veterans live within a 50-mile radius of Camp Pendleton. Over 226,000 veterans live in San Diego County, the third largest county in the nation by veteran population. The Facility is also located approximately 3 miles from the Tri-City Medical Center, a full-service acute care hospital with emergency room services facilitating immediate inpatient admissions and care for veterans.

The Project:

The proceeds of the 2020 Bonds will be loaned to Cole of Oceanside CA, LP, a Delaware partnership ("the Borrower"), pursuant to a Loan Agreement, dated as of December 1, 2020 (the "Loan Agreement"), between the Issuer and the Borrower for the following purposes: (1) to finance the acquisition of the partnership interests in the Borrower; (2) to refinance certain indebtedness of the Borrower and its affiliates (the "Prior Debt") incurred in connection with the Borrower's acquisition, construction, improvement and equipping of the facilities housing the Oceanside VA Health Care Center located at 1300 Rancho Del Oro Drive, Oceanside, CA 92056 (the "Facility") and the land on which it is situated, as more particularly described in Exhibit A hereto (the "Land"); (3) to fund of any required reserves for the 2020 Bonds; and (4) to pay certain costs of issuing the 2020 Bonds and related costs (collectively, the "Project"). Pursuant to the Loan Agreement, the proceeds of the 2020 Bonds will be loaned to the Borrower, and the Borrower will be required to make payments to the Issuer at times and in amounts sufficient for the Issuer to pay the principal of and interest on the 2020 Bonds.

The Borrower leases the Facility to the United States of America (the "Government") acting by and through its Department of Veterans Affairs (the "VA") pursuant to a Government Lease for Real Property No. V101-183R-664-09-06 dated May 6, 2008 (together with all amendments, modifications, and supplements from time to time made thereto, the "GSA Lease"). The Borrower's sole source of funds to make such payments to the Issuer is expected to be lease payments made by the GSA to the Borrower ("Lease Payments") under the GSA Lease.

In order to secure its performance under the Loan Agreement, the Borrower will grant to the Trustee a security interest in and to the Facility and the Land (the "Mortgaged Premises") pursuant to a Deed of Trust, Security Agreement and Fixture Filing dated the date of issuance of the 2020 Bonds (the "Closing Date") (together with all amendments, modifications, and supplements from time to time made thereto, the "Mortgage") and assign its interests in the VA Lease to the Trustee pursuant to an Assignment of Leases and Rents dated the Closing Date (together with all amendments, modifications, and supplements from time to time made thereto, the "Assignment of Leases") and pursuant to the Assignment of Claims dated the Closing Date (together with all amendments, modifications, and supplements from time to time made thereto, the "Assignment of Claims") from the Borrower to the Trustee.

Proposed Financing:

Sources of Funds:

Taxable Bonds:	\$ 91,070,000
Total Sources:	\$ 91,070,000

Uses of Funds:

Acquisition Price:	\$ 85,898,678
Reserve Funds:	\$ 2,112,260
Underwriters Discount:	\$ 1,593,725
Cost of Issuance:	\$ 1,465,337
Total Uses:	\$ 91,070,000

Proposed Terms of Transaction:

Amount:	\$100,000,000
Offering:	Public Offering, Taxable
Rate Mode:	Fixed
Estimated Rating:	A2 (Moody's)
Maturity:	2036
Security:	Deed of Trust
Estimated Closing:	December 2020

Public Benefit:

The VA operates the Facility as the Oceanside VA Health Care Center – an outpatient clinic within the San Diego VA Healthcare System. The Facility opened in August 2010. In 2019, the Facility had approximately 93,000 patient visits.

The Facility is one of seven outpatient clinics supporting the San Diego VA Medical Center, the hub of the San Diego VA Health Care System. The San Diego VA Health Care System is one of eight such systems comprising the VA's Veterans Integrated Service Network ("VISN") 22: Desert Pacific Healthcare Network, which covers the entirety of Arizona as well as parts of California, New Mexico and Colorado. In addition to San Diego, VISN 22 system "hubs" are located in Albuquerque, NM; Long Beach, CA; Phoenix, AZ; Prescott, AZ; Tucson, AZ; Loma Linda, CA; and West Los Angeles, CA.

Finance Team:

Underwriter:	Oppenheimer & Co. Inc
Underwriter Counsel:	Ice Miller, LLP
Special Counsel to the Underwriter:	Dilworth Paxson LLP
Bond Counsel:	Ballard Spahr, LLP
Borrower Counsel:	Kelley Drye & Warren LLP
Issuer Counsel:	Jones Hall APLC
Trustee:	U.S. Bank National Association
Trustee Counsel:	Calfee, Halter & Griswold LLP
Rating Agency:	Moody's Investors Service, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution authorizing the issuance of the federal lease revenue bonds in an aggregate principal amount not to exceed \$100,000,000 for the Oceanside VA Health Care Center project located in the City of Oceanside, 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.



PACIFIC PRIMARY SCHOOL SUMMARY AND RECOMMENDATIONS

Applicant:	Pacific Primary School
Action:	Final Resolution
Amount:	\$3,700,000
Purpose:	Finance and Refinance the Acquisition, Construction, Improvement, and Equipping of Educational Facilities, Located in the City and County of San Francisco, California.
Activity:	Private School
Meeting:	November 6, 2020

Background:

Pacific Primary is a pre-school that was founded in 1974, by a group of parents. A Board of Directors was elected, and funds were raised from foundations, parents and other interested parties enabling the school to acquire and remodel the site at 1500 Grove Street, San Francisco California. The immeasurable cooperative effort by staff and parents that turned their goals into a reality set the precedent for the supportive and cohesive community that still surrounds the school. Parents continue to actively support the school by fundraising, maintaining the school's physical plant and are welcome in the classroom and on field trips. The staff continues to consist of some of the most talented, experienced and dedicated professionals in their field.

Pacific Primary provides an exceptional learning environment that supports the whole child and places the needs of the children first. The program is designed to foster growth and creativity within each child in many areas of development:

- Emotional – the staff helps children understand their emotions and find acceptable ways to express them. The staff is skilled in positive discipline techniques and appropriate limit-setting.
- Social – the children learn how to handle conflict through problem-solving and communication, so that they become confident and capable individuals who respect others and embrace differences.

- Cognitive – the staff uses a variety of approaches, so that the children become excited and confident learners in literacy (reading and writing readiness), pre-math, science, the creative arts and all areas of the curriculum.
- Physical – the school’s program helps build healthy bodies, encourages the development of physical skills, a love of the outdoors, and a sense of wonder and respect for nature.

Pacific Primary’s curriculum is designed to encourage children to enjoy the process of learning and to love school. They want children to explore their environment. Experiential “hands-on” learning activities and child-initiated activities are encouraged and supported by the teachers.

The Project:

The proceeds of the Loan will be loaned to Pacific Primary School for the following purposes: (i) prepay and refinance in full all of the outstanding principal amount of ABAG Finance Authority for Nonprofit Corporations 2013 Tax-Exempt Loan (Pacific Primary), originally issued in the principal amount of \$4,100,000, the proceeds of which were used to redeem in full all of the then outstanding principal amount of ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (Pacific Primary) Series 2008, originally issued in the principal amount of \$4,550,000, the proceeds of which were used for the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the Borrower’s facilities located at 1500 and 1501 Grove Street, San Francisco, California and (ii) pay certain expenses incurred in connection with the delivery of the Borrower Loan (collectively, the “Project”).

The City and County of San Francisco:

The City and County of San Francisco is a member of the CMFA and held a TEFRA hearing on October 27, 2020. Upon closing, the City and County is expected to receive approximately \$2,467 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 3,700,000
Total Sources:	\$ 3,700,000

Uses of Funds:

Refinance Loan:	\$ 3,555,000
Cost of Issuance:	\$ 145,000
Total Uses:	\$ 3,700,000

Terms of Transaction:

Amount:	\$3,700,000
Mode:	Fixed Rate
Maturity:	30 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	November 2020

Public Benefit:

Pacific Primary School provides a safe and creative learning environment where the development of the child and active parent participation are integral to the day-to-day education experience.

Finance Team:

Lender:	First Republic Bank
Special Tax Counsel:	Hawkins Delafield & Wood LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Hawkins Delafield & Wood LLP
Borrower Counsel:	Goldfarb & Lipman LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$3,700,000 for Pacific Primary School located in the City and County of San Francisco, 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.



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