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## THE RIVERS COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS

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Applicant: Richland Communities

Action: Approval

Amount: \$32,920,000

Purpose: Approve Waiver of 2<sup>nd</sup> Reading and Adoption of Ordinance Levying Special Taxes within CMFA Community Facilities District No. 2021-6 (City of West Sacramento —The Rivers) (Ordinance 21-08)

Activity: BOLD/ Community Facilities District

Meeting: July 16, 2021

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### Background and Resolutions:

The CMFA's BOLD Program ("BOLD") utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the "Act") to raise revenues for the infrastructure needs of local agencies in California. The City of West Sacramento (the "City") is a member of the CMFA and a participant in BOLD. Richland Communities (the "Developer") previously submitted an application to the CMFA to use BOLD in relation to the Developer's proposed development of certain property located in the City.

On May 21, 2021, the CMFA adopted a resolution stating its intention to form a proposed community facilities district (the "Resolution of Intention to Form CFD") to be called California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the "CFD"), and a resolution stating its intention to incur bonded indebtedness for such CFD (the "Resolution of Intention to Incur Bonded Indebtedness").

On June 25, 2021, the CMFA held a public hearing on the formation of the CFD and the incurrence of bonded indebtedness for the CFD and held the special election on the formation of the CFD. The CMFA then adopted the following resolutions to facilitate the formation of California Municipal Finance Authority Community Facilities District No. 2021-6:

- Resolution of the Board of Directors of the California Municipal Finance Authority Forming California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution of Formation”).
- Resolution of the Board of Directors of the California Municipal Finance Authority Determining Necessity to Incur Bonded Indebtedness and Other Debt in and for California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution Determining Necessity”).
- Resolution of the Board of Directors of the California Municipal Finance Authority Calling Special Election in and for California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution Calling Election”).
- Resolution of the Board of Directors of the California Municipal Finance Authority Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien in and for Each Improvement Area in California Municipal Finance Authority Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers) (the “Resolution Declaring Election Results”).

Ordinance:

The final legislative act for the formation of California Municipal Finance Authority Community Facilities District No. 2021-6 at the June 25, 2021 CMFA meeting of the Board of Directors was the introduction of the ordinance levying special taxes on the land in the CFD. The Board of Directors of the CMFA is now being asked to approve this Ordinance.

The Ordinance of the Board of Directors Levying Special Taxes on the land in the CFD will support the bonds and the services by this ordinance. The special tax lien puts the rate and method of apportionment for each Improvement Area on record for all parcels within the applicable Improvement Area. The levy conforms to the special tax formula approved by the Board in the Resolution of Formation and provides for the taxes to be collected each year on the general tax rolls of the County.

The Project:

Richland Communities is developing the Rivers project, which is a 249-lot development within the City of West Sacramento. Improvement Area No. 1 includes 47 of these lots, 29 of which are finished lots and 18 are tentative mapped lots. The remaining 202 lots would be part of a separate boundary area identified as a Future Annexation Area.

Richland Communities intends to sell the 47 lots within the District to a homebuilder who will in turn build and sell homes to individual homeowners. Projected sales prices for the homes within the District are expected to range from the low \$800,000 range to over \$1.1 million.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$32,920,000 on behalf of the CFD and all improvement areas therein

Future Action:

Bonds payable from the special taxes are expected to be issued in 2022, subject to further resolution and approval. This project will be pooled with other projects as a pooled financing.

Authorized Facilities:

Authorized facilities and costs that may be funded through the Community Facilities District (CFD) include the following public improvements, development impact fees funding public improvements, and formation and administrative expenses.

Development Impact Fees:

- City of West Sacramento Development Impact Fees:
  - Traffic Impact Fee
  - Police Impact Fee
  - Fire Impact Fee
  - Water Connection Fee
  - Sewer Connection Fee
  - Park Impact Fee
- Sacramento Area Sewer District Development Impact Fees
- Washington Unified School District Development Impact Fees

City Facilities:

- Water storage and pump station facilities supporting development in the CFD.

Authorized facilities also include Administrative and Incidental Expenses.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Ordinance Levying Special Taxes within the CMFA Community Facilities District No. 2021-6 (City of West Sacramento – The Rivers).



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## PLYMOUTH PLACE APARTMENTS SUMMARY AND RECOMMENDATIONS

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Applicant:	Retirement Housing Foundation
Action:	Final Resolution
Amount:	\$13,000,000
Purpose:	Finance Affordable Rental Housing Facilities Located in the City of Stockton, San Joaquin County, California
Activity:	Affordable Housing
Meeting:	July 16, 2021

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### Background:

Retirement Housing Foundation (RHF) is a non-profit organization of 170 communities in 26 states, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands.

RHF provides housing and services to more than 18,000 older adults, low-income families, and persons with disabilities.

The RHF logo symbolizes a program that has grown from the very modest beginnings of a \$7,000 investment. With this investment, combined with the efforts of three United Church of Christ (UCC) visionaries, RHF has grown to be one of the largest organizations devoted to building and preserving affordable housing for the most vulnerable members of society.

The Mission of RHF is to provide various housing options and services for older adults, low-income families, and persons with disabilities in an environment which enhances their quality of life physically, mentally, and spiritually. RHF is committed to serving its residents and their local communities.

The Vision of RHF is a society in which all persons have quality, affordable housing thus reducing the difficult choices which would otherwise need to be made between the basic necessities of life. The RHF philosophy and core values state the beliefs of their board of directors, local community boards, and national staff of 2,800.

### The Project:

Plymouth Place is an existing project located in Stockton on a 0.46 -acre site. The project consists of 64 restricted rental units and 1 restricted managers' unit. The project has 65 one-bedroom units. Building exterior renovations will consist of roof replacement, window replacements, repainting surfaces, repainting balcony railings and new exterior lighting. Interior renovations will include upgrading the leasing office, the community room with new appliances, upgrading the lobby and repainting surfaces. Individual apartment units will be updated with a new appliance package, new countertops and cabinets in the kitchen and bathrooms, new light fixtures, new plumbing fixtures to low flow fixtures and converting the bathtubs to walk-in showers. Lastly, common or site area renovations will consist of asphalt replacement, parking lot striping, signage upgrade and upgrading irrigation. The rehabilitation is expected to begin in August 2021 and be completed in October 2022. This financing will preserve 64-units of affordable housing in the City of Stockton for the next 55 years.

### The City of Stockton:

The City of Stockton is a member of the CMFA and is scheduled to hold a TEFRA hearing on July 27, 2021. Upon closing, the City is expected to receive approximately \$6,717 as part of the CMFA's sharing of Issuance Fees.

### Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 10,748,059	\$ 4,830,921
LIH Tax Credit Equity:	\$ 0	\$ 9,039,648
Developer Equity:	\$ 904	\$ 0
Deferred Developer Fee:	\$ 1,700,000	\$ 0
Deferred Costs:	\$ 481,739	\$ 0
Seller Carryback Loan:	\$ 8,734,196	\$ 8,246,266
Reserves:	\$ 894,442	\$ 894,442
LP Equity:	\$ 451,937	\$ 0
Total Sources:	\$ 23,011,277	\$ 23,011,277

### Uses of Funds:

Land Cost/ Acquisition:	\$ 9,400,000
Rehabilitation Costs:	\$ 6,171,289
Construction Hard Cost Contingency:	\$ 617,129
Soft Cost Contingency:	\$ 220,000
Relocation:	\$ 793,491
Architectural/Engineering:	\$ 587,500
Construction Interest & Fees:	\$ 1,349,047
Legal Fees:	\$ 260,000
Reserves:	\$ 546,739
Soft Costs, Marketing, etc.*:	\$ 566,082
Developer Fee:	\$ 2,500,000
Total Uses:	\$ 23,011,277

Terms of Transaction:

Amount:	\$13,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	August 2021

Public Benefit:

A total of 64 households will continue to enjoy high quality, independent, affordable housing in the City of Stockton for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%  
11% (7 Units) restricted to 30% or less of area median income households; and  
11% (7 Units) restricted to 50% or less of area median income households; and  
78% (50 Units) restricted to 60% or less of area median income households.  
Unit Mix: 1-bedroom units  
Term of Restriction: 55 years

Finance Team:

Lender:	BBVA Mortgage Corporation
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Husch Blackwell LLP
Borrower Counsel:	Klein Hornig LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$13,000,000 for the Plymouth Place affordable housing facility located in the City of Stockton, San Joaquin 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.



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## PARKWOOD APARTMENTS SUMMARY AND RECOMMENDATIONS

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Applicant: Burbank Housing Development Corporation

Action: Final Resolution

Amount: \$20,000,000

Purpose: Finance an Affordable Multi-Family Rental Housing Facility Located in the City of Santa Rosa, County of Sonoma, California

Activity: Affordable Housing

Meeting: July 16, 2021

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Background:

Burbank Housing Development Corporation (“Burbank Housing”) is a nonprofit organization dedicated to increasing the supply of housing in Sonoma County, so that low-income people of all ages, backgrounds and special needs will have a better opportunity to live in decent and affordable housing. Organized in 1980, Burbank provides qualified nonprofit housing development, ownership and management services in Sonoma County.

Burbank Housing builds and manages family and senior rental housing and creates home ownership opportunities, largely through its mutual self-help program. Burbank Housing collaborates with service organizations to provide supportive housing for people with special needs, including people who are elderly, physically or mentally disabled, farm workers or homeless.

The Project:

Parkwood Apartments is an acquisition/rehabilitation project located at 6899 Montecito Boulevard, Santa Rosa, CA. The project consists of 39 units restricted to 60% of AMI and 15 units restricted to 80% of AMI. There are 54 two-bedroom apartments and one 4-bedroom manager's unit. The project is located in northeast Santa Rosa. The renovations will include a full window replacement, dry rot repair, ADA conversion for six of the units and as-needed upgrades in the interiors that include, but are not limited to: select cabinet replacement, new bath fans, water heater replacement and other energy upgrades. The financing of this project will result in preserving affordable housing for 54 low-income households in the City of Santa Rosa for another 30 years.

The City of Santa Rosa:

The City of Santa Rosa is a member of the CMFA and will hold a TEFRA hearing on July 20, 2021. Upon closing, the City is expected to receive approximately \$11,157 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 14,900,000
HA Loan:	\$ 2,400,000
Reserves held in Existing Loans:	<u>\$ 378,750</u>
Total Sources:	\$ 17,678,750

Uses of Funds:

Pay off NEF:	\$ 13,500,000
Pay off Seller Note:	\$ 300,000
Pay off HA1:	\$ 2,400,000
Rehab Reserve:	\$ 750,000
Interest Reserve:	\$ 378,750
Costs of Issuance:	<u>\$ 350,000</u>
Total Uses:	\$ 17,678,750

Terms of Transaction:

Amount:	\$20,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	August 2021



Public Benefit:

A total of 54 low-income households will continue to be able to enjoy high quality, independent, affordable housing in the City of Santa Rosa for another 30 years.

Percent of Restricted Rental Units in the Project: 100%  
37% (20 Units) restricted to 30% or less of area median income households; and  
13% (7 Units) restricted to 50% or less of area median income households; and  
22% (12 Units) restricted to 60% or less of area median income households; and  
28% (15 Units) restricted to 80% or less of area median income households.  
Unit Mix: Studio, 2-, 3- & 4-bedroom units  
Term of Restriction: 30 years

Finance Team:

Lender:	Align Finance Partners
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Ballard Spahr, LLP
Borrower Counsel:	Gubb & Barshay LLP

Recommendation:

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



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## AMERICAN HERITAGE EDUCATION FOUNDATION PROJECT SUMMARY AND RECOMMENDATIONS

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Applicant:	American Heritage Education Foundation
Action:	Final Resolution
Amount:	\$20,000,000
Purpose:	Finance Educational Facilities for American Heritage Education Foundation, located in the City of Escondido, San Diego County, California.
Activity:	Educational Facilities
Meeting:	July 16, 2021

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### Background:

American Heritage Education Foundation (the “Borrower”) is a California nonprofit public benefit corporation designated as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). With the exception of certain Facilities which are leased or ground leased by Heritage from the City of Escondido, the Borrower currently owns the Heritage Facilities and Escondido Facilities.

Heritage is a California nonprofit public benefit corporation designated as an organization described in Section 501(c)(3) of the Code. Heritage was founded in 2003 and incorporated in 2006. Heritage operates Heritage K-8 Charter School, which consists of Heritage Elementary, a grade K through 6 program located at the Heritage Elementary School Facilities; and Heritage Junior High, a traditional junior high program serving students in grades 7 and 8 and Heritage Flex Academy, an independent study program for students in grades K through 8, both of which are located at the Heritage Junior High Facilities. Heritage operates Heritage Elementary, Heritage Junior High and Heritage Flex Academy collectively as Heritage K-8 Charter School, pursuant to a charter (the “Heritage Charter”) approved by the Escondido Union Elementary School District. Heritage leases each of the Heritage Facilities from the Borrower pursuant to the Lease Agreement.

Escondido was founded in 1996 and incorporated in 2001. Escondido operates the Escondido Charter High School, which offers a traditional high school program at the Parkway Facility and Escondido Flex, a technology based, independent study program with the option of weekly on-campus enrichment at the Midway Facility. Escondido operates the traditional classroom program and Escondido Flex collectively as Escondido Charter High School, pursuant to a charter (the “Escondido Charter” and, together with the Heritage Charter, the “Charters”) granted by the

Escondido Union High School District. Escondido leases the Escondido Facilities from the Borrower pursuant to the Lease Agreement.

The Project:

American Heritage Education Foundation will use the bond proceeds to finance and/or refinance the costs of: (a) acquiring, constructing, improving, renovating and equipping of educational facilities located at 1050 North Broadway, Escondido, California 92026 (the “Series 2021 Facilities”); (b) funding any required deposits to a reserve fund; (c) paying capitalized interest, if any; and (d) paying certain issuance expenses.

The City of Escondido:

The City of Escondido is a member of the CMFA and held a TEFRA hearing on May 19, 2021. Upon closing, the City is expected to receive \$7,750 as part of the CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bonds:	\$ 14,425,000
Taxable Bonds:	\$ 255,000
Original Issue Premium:	<u>\$ 1,824,639</u>
Total Sources:	\$ 16,504,639

Uses of Funds:

Building & Land Acquisition:	\$ 9,200,000
Rehabilitation:	\$ 5,800,000
Debt Service Reserve Fund:	\$ 939,915
Cost of Issuance:	<u>\$ 564,724</u>
Total Uses:	\$ 16,504,639

Initial Terms of Transaction:

Amount:	\$20,000,000
Maturity:	August 2051
Collateral:	Deed of Trust
Bond Purchasers:	Limited Public Offering
Estimated Closing:	August 2021
Rating:	Anticipated BBB-

Public Benefit:

The financing will provide additional school facilities to educate K-12 students in the surrounding community. The School will partner with the YMCA and City of Escondido to continue to offer sports related opportunities for the entire community, including swimming, gymnastics, basketball, and summer camps for K-12 students.

Finance Team:

Underwriter:	B.C. Ziegler and Company
Bond Counsel:	Kutak Rock, LLP
Issuer's Counsel:	Jones Hall, APLC
Underwriter's Counsel:	Nixon Peabody LLP
Borrower's Counsel:	Steve Nelson

Recommendation:

The Executive Director recommends that the CMFA Board of Directors authorize a Final Resolution of \$20,000,000 for the American Heritage Education Foundation Project, City of Escondido, 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.



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## CANAL STREET COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS

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Applicant: Sequanota Partners, LP

Action: Approval

Amount: \$2,000,000

Purpose: Approve Resolutions Initiating Formation of CMFA Community Facilities District No. 2021-4 (Jurupa Area Recreation & Park District – Canal Street) and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities

Activity: BOLD/ Community Facilities District

Meeting: July 16, 2021

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### Background and Resolutions:

The CMFA’s BOLD Program (“BOLD”) utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the “Act”) to raise revenues for the infrastructure needs of local agencies in California. The Jurupa Recreation and Park District (the “District”) is a member of the CMFA and a participant in BOLD. Sequanota Partners, LP (the “Developer”) has submitted an application to the CMFA to use BOLD in relation to the Developer’s proposed development of certain property located in the District. The CMFA and the District have accepted such application.

The applicant has requested formation of a community facilities district which will facilitate the future issuance of bonds by the CMFA under the program. Proceeds of bonds will primarily be used to finance public infrastructure facilities to be owned by the District.

As an initial step in using BOLD for the financing, the CMFA needs to form a community facilities district. The proposed community facilities district will be called California Municipal Finance Authority Community Facilities District No. 2021-4 (Jurupa Recreation & Park District - Canal Street) (the “CFD”).

Under the Act, it is a requirement that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to form the CFD, stating the types of public facilities to be financed

on behalf of the CFD, setting forth the rate and method of apportionment of a proposed special tax to be levied in the CFD, and establishing the boundary. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Establish California Municipal Finance Authority Community Facilities District No. 2021-4 (Jurupa Recreation & Park District – Canal Street), and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (the “Resolution of Intention to Form CFD”).

It is also a requirement under the Act that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to issue bonds payable from the levy of a special tax within the CFD. A resolution meeting that requirement of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Incur Bonded Indebtedness in and for the California Municipal Finance Authority Community Facilities District No. 2021-4 (Jurupa Recreation & Park District – Canal Street) to Finance the Acquisition and Construction of Certain Public Facilities (the “Resolution of Intention to Incur Bonded Indebtedness”).

#### The Project:

Sequanota Partners, LP is developing the Canal Street project within the City of Jurupa Valley in Riverside County, which will include 48 detached homes. The development plan projects sale of the property to a merchant builder in the 3<sup>rd</sup> quarter of 2021, land development shortly thereafter, and homes sales in late 2022 with final build-out in 2023. Homes are projected to average approximately 2,700 square feet, and prices are projected to average approximately \$450,000.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount not to exceed \$2,000,000 on behalf of the CFD and all improvement areas therein.

#### Future Action:

Under the Act, at a future meeting of the CMFA Board of Directors, the Board of Directors will need to hold a public hearing and adopt additional resolutions formally creating the CFD, authorizing the incurrence of bonded indebtedness for the CFD, levying the special tax within the CFD, and certain other related matters. Canal Street CFD will likely be pooled with other like-sized CFDs, and sold as a combined financing. Depending on development status, this CFD may be included in a pool in mid to late 2022.

#### Authorized Facilities:

Authorized facilities and costs that may be funded through the Community Facilities District (CFD) include the following public improvements, development impact fees funding public improvements, and formation and administrative expenses.

#### Public Improvements:

- Transportation Improvements
- Wastewater System Improvements

- Potable and Non-Potable Water System Improvements
- Drainage System Improvements
- Landscaping and Open Space Improvements

Development Impact Fees:

Jurupa Area Recreation & Park District

- Quimby Fee

City of Jurupa Valley

- Development Impact Fees, including but not limited to the Public Facilities Fee, Fire Facilities Fee, Transportation Fees, Regional Parks Fees, Regional Trails Fees, and Library Books Fees.

Rubidoux Community Services District

- Water and sewer connection fees

Authorized facilities also include Administrative and Incidental Expenses.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Intention to Form CFD and the Resolution of Intention to Incur Bonded Indebtedness in an amount not to exceed \$2,000,000.



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**THE GLEN AT GRANITE BAY COMMUNITY FACILITIES  
DISTRICT  
SUMMARY AND RECOMMENDATIONS**

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**Applicant:** Blue Mountain Communities

**Action:** Approval

**Amount:** \$2,450,000

**Purpose:** Approve Resolutions Initiating Formation of CMFA Community Facilities District No. 2021-12 (County of Placer – The Glen at Granite Bay) and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities

**Activity:** BOLD/ Community Facilities District

**Meeting:** July 16, 2021

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Background and Resolutions:

The CMFA’s BOLD Program (“BOLD”) utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the “Act”) to raise revenues for the infrastructure needs of local agencies in California. Placer County (the “County”) is a member of the CMFA and a participant in BOLD. Blue Mountain Communities (the “Developer”) has submitted an application to the CMFA to use BOLD in relation to the Developer’s proposed development of certain property located in the County. The CMFA and the County have accepted such application.

The applicant has requested formation of a community facilities district which will facilitate the future issuance of bonds by the CMFA under the program. Proceeds of bonds will primarily be used to finance public infrastructure facilities to be owned by the County.

As an initial step in using BOLD for the financing, the CMFA needs to form a community facilities district. The proposed community facilities district will be called California Municipal Finance Authority Community Facilities District No. 2021-12 (County of Placer - The Glen at Granite Bay) (the “CFD”).



Under the Act, it is a requirement that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to form the CFD, stating the types of public facilities to be financed on behalf of the CFD, setting forth the rate and method of apportionment of a proposed special tax to be levied in the CFD, and establishing the boundary. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Establish California Municipal Finance Authority Community Facilities District No. 2021-12 (County of Placer – The Glen at Granite Bay), and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (the “Resolution of Intention to Form CFD”).

It is also a requirement under the Act that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to issue bonds payable from the levy of a special tax within the CFD. A resolution meeting that requirement of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Incur Bonded Indebtedness in and for the California Municipal Finance Authority Community Facilities District No. 2021-12 (County of Placer – The Glen at Granite Bay) to Finance the Acquisition and Construction of Certain Public Facilities (the “Resolution of Intention to Incur Bonded Indebtedness”).

#### The Project:

The Glen at Granite Bay is approximately 6.1 acres and is anticipated to yield 33 single family homes. The project will comprise of 3 plans ranging in size from 1,873 to 2,688 square feet and price of \$650,000 to \$750,000. Blue Mountain Communities will construct the homes for sale to end homeowners.

The project has been graded and infrastructure is being completed now. Lots will be completed by September and vertical construction is projected to begin in August. Sales are expected to begin in February 2022 with closings beginning in April 2022.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount not to exceed \$2,450,000 on behalf of the CFD and all improvement areas therein.

#### Future Action:

Under the Act, at a future meeting of the CMFA Board of Directors, the Board of Directors will need to hold a public hearing and adopt additional resolutions formally creating the CFD, authorizing the incurrence of bonded indebtedness for the CFD, levying the special tax within the CFD, and certain other related matters. The Glen CFD will likely be pooled with other like-sized CFDs, and sold as a combined financing. Depending on development status, this CFD may be included in a pool in late 2021.

Authorized Facilities:

Authorized facilities and costs that may be funded through the Community Facilities District (CFD) include development impact fees funding public improvements, and formation and administrative expenses. The authorized facilities include, but are not limited to, facilities authorized by the Mello-Roos Act to be funded by the following fees:

Development Impact Fees:

- County Traffic Impact Fee
- County Capital Facilities Fee
- County Park Impact Fee
- County Sewer Facilities Fee
- Roseville Joint Union High School District Fee
- K-8 School District Fee
- South Placer Regional Transportation Authority Impact Fee
- South Placer Wastewater Authority Impact Fee

Authorized facilities also include Administrative and Incidental Expenses.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Intention to Form CFD and the Resolution of Intention to Incur Bonded Indebtedness in an amount not to exceed \$2,450,000.



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## **EXECUTIVE DIRECTOR SERVICES AGREEMENT SUMMARY AND RECOMMENDATIONS**

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Presenter: Ron Lee

Subject: Executive Director Services Agreement

Action: Renewal

Meeting: July 16, 2021

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### Background:

CMFA entered into its initial Executive Director contract on July 1, 2013 after a lengthy RFQ process. On July 1, 2014, CMFA entered into a renewal contract for a three (3) year term, which expired on July 1, 2017. On July 1, 2017, CMFA entered into a renewal contract for a three (3) year term, which expired on July 1, 2020. CMFA may terminate the contract “at will” and at any time.

The Executive Director is responsible for all expenses in carrying out the scope of his work, including office space, transportation and office supplies.

Since July 1, 2013, the time demands on the Executive Director have increased significantly due primarily to increased transaction volume, additional compliance requirements, new programs, and increased charitable giving volume.

The Executive Director’s current gross annual compensation is \$78,000, minus expenses.

### Requested Action:

Approve a new Executive Director Services Agreement with an evergreen feature. Consider an increase to the Executive Director’s annual compensation.

### Recommendation:

Jones Hall recommends that the CMFA Board of Directors approve the Executive Director Services Agreement.

### Alternatives:

The board can direct staff to undertake a new RFQ process with or without interviews. This process will likely take 6-8 weeks. If this alternative is selected, the board should renew the current contract until such time as the RFP process can be completed.

The board can also direct staff to negotiate a new contract with Mr. Becker on different terms.

California Municipal Finance Authority  
**Statement of Income and Expense vs. Budget**  
 July 2020 through June 2021

12:41 PM  
 07/08/2021  
 Accrual Basis

	<u>Jul '20 - Jun 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Annual Fee Income	5,724,008	5,575,000	149,008
Application Fee Income	155,000	40,000	115,000
Issuance Fees	3,304,456	2,750,000	554,456
<b>Total Income</b>	<u>9,183,464</u>	<u>8,365,000</u>	<u>818,464</u>
<b>Gross Profit</b>	9,183,464	8,365,000	818,464
<b>Expense</b>			
Bank Service Charges	10,687	10,000	687
Charitable Grants - Restricted	184,309	100,000	84,309
Charitable Grants -Unrestricted	2,804,298	2,625,000	179,298
Dues and Subscriptions	225	225	0
Insurance	114,913	215,600	-100,687
JPA Member Distributions	1,036,509	916,000	120,509
Marketing	49,610	54,500	-4,890
Office Supplies	182	0	182
Outside Services	75	4,000	-3,925
Professional Fees	4,957,019	4,464,477	492,542
Travel & Entertainment	0	18,000	-18,000
<b>Total Expense</b>	<u>9,157,827</u>	<u>8,407,802</u>	<u>750,025</u>
<b>Net Ordinary Income</b>	25,637	-42,802	68,439
<b>Other Income</b>			
Interest Income	2,093	1,500	593
<b>Net Income</b>	<u><u>27,730</u></u>	<u><u>-41,302</u></u>	<u><u>69,032</u></u>

California Municipal Finance Authority  
**Statement of Financial Income & Expense**

12:49 PM  
 07/08/2021  
 Accrual Basis

	<u>Jul '20 - Jun 21</u>	<u>Jul '19 - Jun 20</u>	<u>\$ Change</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Annual Fee Income	5,724,008	5,160,598	563,410
Application Fee Income	155,000	152,500	2,500
Issuance Fees	3,304,456	2,882,133	422,323
Other Income - PACE	0	175,000	-175,000
<b>Total Income</b>	<u>9,183,464</u>	<u>8,370,231</u>	<u>813,233</u>
<b>Gross Profit</b>	9,183,464	8,370,231	813,233
<b>Expense</b>			
Bank Service Charges	10,687	4,427	6,260
Charitable Grants - Restricted	184,309	184,398	-89
Charitable Grants -Unrestricted	2,804,298	2,784,037	20,261
Dues and Subscriptions	225	225	0
Insurance	114,913	100,441	14,472
JPA Member Distributions	1,036,509	877,541	158,968
Marketing	49,610	54,010	-4,400
Office Supplies	182	29	153
Outside Services	75	2,430	-2,355
Professional Fees	4,957,019	4,316,101	640,918
Travel & Entertainment	0	15,690	-15,690
<b>Total Expense</b>	<u>9,157,827</u>	<u>8,339,329</u>	<u>818,498</u>
<b>Net Ordinary Income</b>	25,637	30,902	-5,265
<b>Other Income</b>			
Interest Income	2,093	2,280	-187
<b>Net Income</b>	<u><u>27,730</u></u>	<u><u>33,182</u></u>	<u><u>-5,452</u></u>

**California Municipal Finance Authority**  
**Statement of Financial Position**

12:55 PM  
07/08/2021  
Accrual Basis

	<u>Jun 30, 21</u>	<u>Jun 30, 20</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
Wells CDLAC (#8131)	4,949,398	6,276,059	-1,326,661
Wells Checking (#4713)	706,822	671,677	35,145
Wells Custodial (#6397)	212,852	0	212,852
<b>Total Checking/Savings</b>	<u>5,869,072</u>	<u>6,947,736</u>	<u>-1,078,664</u>
<b>Accounts Receivable</b>	87,014	50,811	36,203
<b>Other Current Assets</b>			
Prepaid Expenses	9,743	19,715	-9,972
<b>Total Other Current Assets</b>	<u>9,743</u>	<u>19,715</u>	<u>-9,972</u>
<b>Total Current Assets</b>	<u>5,965,829</u>	<u>7,018,262</u>	<u>-1,052,433</u>
<b>TOTAL ASSETS</b>	<u><u>5,965,829</u></u>	<u><u>7,018,262</u></u>	<u><u>-1,052,433</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	286,875	21,845	265,030
<b>Other Current Liabilities</b>			
Accrued Expenses	50,274	68,806	-18,532
Refundable Deposits	4,949,398	6,276,059	-1,326,661
<b>Total Other Current Liabilities</b>	<u>4,999,672</u>	<u>6,344,865</u>	<u>-1,345,193</u>
<b>Total Current Liabilities</b>	<u>5,286,547</u>	<u>6,366,710</u>	<u>-1,080,163</u>
<b>Total Liabilities</b>	5,286,547	6,366,710	-1,080,163
<b>Equity</b>			
Retained Earnings	651,552	618,370	33,182
Net Income	27,730	33,182	-5,452
<b>Total Equity</b>	<u>679,282</u>	<u>651,552</u>	<u>27,730</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>5,965,829</u></u>	<u><u>7,018,262</u></u>	<u><u>-1,052,433</u></u>