



CALIFORNIA GOVERNMENT CODE SECTION 54953(E)(3) SUMMARY AND RECOMMENDATIONS

Action:	Findings
Purpose:	Adopt Findings Per California Government Code Section 54953(e)(3) for the CMFA/CFSC/CFPF/SFA

Background:

Under the current provisions of California Government Code Section 54953(e)(3), if a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, meetings of the Board of Directors may continue to be held by teleconference without compliance with certain agenda, quorum and other requirements of California Government Code Section 54953(b)(3), but the Board must make the following findings not later than 30 days after teleconferencing for the first time after October 1, 2021, and every 30 days thereafter, by majority vote:

- (A) The Board of Directors has reconsidered the circumstances of the state of emergency.
- (B) Any of the following circumstances exist:
 - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - (ii) State or local officials continue to impose or recommend measures to promote social distancing.

For the purposes of these findings, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the findings stated above in this staff report.



HOTEL FRESNO APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: APEC International, LLC

Action: Final Resolution

Amount: \$2,000,000

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

Activity: Affordable Housing

Meeting: December 17, 2021

Amending Resolution – December 10, 2021 Final Resolution

Approve a resolution authorizing an amendment to the resolution to clarify language that carryforward allocation will be used in addition to the supplemental allocation that was awarded from CDLAC for the Hotel Fresno Apartments transaction.

Background:

APEC International has completed several development projects throughout Los Angeles, California. The firm was founded by Eugene H. Kim in 1988 as a design and construction company that would fully utilize his expertise and experience. In 1989, Keely Hahn joined APEC, bringing her expertise in construction management, cost control, and scheduling. Built on this foundation, APEC has established itself as a successful real estate development firm, design build firm, and general contractor.

As a developer, APEC is committed to socially responsible development. As such, APEC will only participate in developments which will fit within the fabric of a neighborhood and will improve the quality of the social construct and built environment of that community.

The financial strength and stability of APEC provides the capability to competitively deliver quality construction. Projects are consistently completed within the guaranteed maximum

contract price, utilizing Ms. Hahn’s construction management systems, cost control expertise, and accurate construction scheduling.

The types of projects completed by APEC include multi- family communities (new construction and rehabilitation), institutional projects, commercial office buildings, banks, shopping centers, and specialty projects.

The Project:

CMFA issued \$15,000,000 on June 27, 2019, for the Hotel Fresno Project. Due to an increase in construction costs, the developer has requested an additional \$2,000,000 of bonds. The Hotel Fresno is the complete renovation of the existing vacant Hotel Fresno. The Hotel Fresno project will be a mixed-use project consisting of 40 restricted affordable housing units at 50% AMI, 38 units at 80% AMI, and 1 unrestricted manager unit with light retail commercial uses on the first floor of the building. The overall project residential units and residential support areas such as the community room, computer room, sitting areas, and management offices will be located on floors 2-7 and the basement floor. The ground floor commercial space will be designated for light retail/commercial, all within the footprint of the existing structure. All units will have central heat and air conditioning. The building will have controlled access, laundry rooms, and free WIFI. In addition to the Hotel Fresno building, the project will also include an outdoor recreation/play area to be located on an adjacent property to the rear of the existing building. The project will have access to 41 parking spaces for the affordable housing tenants and manager on adjacent property southeast of the building. This financing will create 40 units of affordable housing and another 38 units at 80% for the City of Fresno for the next 55 years.

The City of Fresno:

The City of Fresno is a member of the CMFA and held a TEFRA hearing on November 8, 2018. Upon closing, the City is expected to receive approximately \$1,187 as part of the CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 16,400,000	\$ 6,855,000
LIH Tax Credit Equity:	\$ 0	\$ 10,790,866
Deferred Developer Fee:	\$ 0	\$ 931,630
Deferred Costs:	\$ 1,445,722	\$ 0
Historic Tax Credit Equity:	\$ 0	\$ 4,308,114
Opportunity Zone/Interest:	\$ 0	\$ 206,378
AHSC Loan:	\$ 3,037,676	\$ 3,037,676
Fresno/Successor Agency:	\$ 1,900,000	\$ 1,900,000
Credit Capital:	\$ 4,408,590	\$ 0
GP Loan:	\$ 1,204,134	\$ 1,204,134
AHSC Loan:	\$ 0	\$ 1,762,324
Total Sources:	\$ 30,996,122	\$ 30,996,122

Uses of Funds:

Acquisition/Land Purchase:	\$ 3,545,508
Rehabilitation:	\$ 20,594,852
Construction Hard Cost Contingency:	\$ 161,628
Soft Cost Contingency:	\$ 5,640
Architectural/Engineering:	\$ 893,461
Const. Interest, Perm. Financing:	\$ 2,804,008
Legal Fees:	\$ 510,000
Reserves:	\$ 215,000
Other Project Costs*:	\$ 866,025
Developer Costs:	<u>\$ 1,400,000</u>
Total Uses:	\$ 30,996,122

Terms of Transaction:

Amount:	\$2,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2021

Public Benefit:

A total of 40 low-income households and 38 moderate income households will be able to enjoy high quality, independent, affordable housing in the City of Fresno, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 51%
51% (40 Units) restricted to 50% or less of area median income households.
Unit Mix: One-, two- and three-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	Bank of Hope
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall APLC
Lender Counsel:	Nevers, Palazzo, Packard, Wildermuth & Wynner
Borrower Counsel:	Bocarsly Emden Cowal Esmail & Arndt LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$2,000,000 for Hotel Fresno Apartments affordable multi-family housing facility located in the City of Fresno, Fresno 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.