



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.



THE RESIDENCES ON CANOGA APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Alliant Strategic Development
Action:	Initial Resolution
Amount:	\$85,000,000
Purpose:	Finance Affordable Rental Housing Facilities Located in the City of Los Angeles, Los Angeles County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Amendment – August 21, 2021; Amending Resolution

The Initial Resolution for Residences on Canoga Apartments was previously approved at the August 21, 2021, CMFA Board meeting. The Borrower has notified the Authority that they will need to increase the not to exceed amount from \$75,000,000 to \$85,000,000.

Background:

Alliant Strategic Development is led by an experienced team of multifamily real estate professionals. With an average of 25 years of real estate experience, Alliant's executives have collectively built a portfolio of over 1,000 affordable housing communities and have provided homes for over 400,000 families nationwide.

Alliant's focus is to develop safe, healthy, and affordable communities where residents and their families can thrive. This approach directly impacts affordable housing residents by providing quality and stable environments, strengthening the foundations of the communities they serve. Their experience in creative financing and capital structuring has helped in identifying and closing complicated and unique acquisition opportunities. With over 20 years of existing relationships, Alliant's partners include owners, institutional and family office investors; working together to develop successful and profitable projects.

Alliant has an engineering and design team that creates updated, sustainable designs that promote safe and healthy accommodations for all of their developments. They build high quality and

environmentally friendly properties that integrate well within each local neighborhood and community. Alliant also has an experienced asset management team ensuring their properties are operating at the highest achievable levels, with positive tenant satisfaction and retention. The asset management team knows market conditions to accurately create viable lease-up schedules resulting in communities that quickly reach stabilization.

The Project:

The Residences on Canoga Apartments project is the new construction of a 220-unit affordable multifamily housing facility located in Canoga Park (a neighborhood of Los Angeles), CA. The project will be a podium style, five-story building comprised of one-bedroom units. The project will be utilizing the Transit Oriented Communities (“TOC”) incentives and will set-aside at least 20% of units at 50% of Area Median Income or less and the remaining units will be at 80% of Area Median Income or less. The unit amenities will include stainless steel kitchen appliances, energy efficient fixtures, central AC, bicycle storage, granite countertops, “in-unit” washer/dryer, and balconies. The project amenities will include a fitness center, resident lounge area, garage parking, additional storage space, and both property and unit secured-keyless access. A car-share program will be explored to benefit all residents, giving greater autonomy to tenants who choose not to own an automobile. This financing will create 220-units of affordable housing for households in the City of Los Angeles for the next 30 years.

The City of Los Angeles:

The City of Los Angeles is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$21,673 as part of the CMFA’s sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Recycled Bonds:	\$ 66,619,443
B-Tranche Recycled Bonds:	\$ 1,194,218
Taxable Bond Proceeds:	\$ 805,000
Developer Equity:	<u>\$ 4,000,000</u>
Total Sources:	\$ 72,618,661

Uses of Funds:

Land Acquisition:	\$ 12,584,865
New Construction:	\$ 44,249,214
Architectural & Engineering:	\$ 1,197,500
Legal & Professional:	\$ 400,000
Impact and Permitting Fees:	\$ 4,480,000
Developer Fee:	\$ 5,252,289
Financing Fees & Interest:	\$ 2,972,601
Other Soft Costs*:	\$ 1,357,192
Costs of Issuance:	<u>\$ 125,000</u>
Total Uses:	\$ 72,618,661

Terms of Transaction:

Amount:	\$85,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	May 2022

Public Benefit:

A total of 220 households will be able to enjoy high quality, independent, affordable housing in the City of Los Angeles for the next 30 years.

Percent of Restricted Rental Units in the Project: 100%
10% (22 Units) restricted to 20% or less of area median income households; and
10% (22 Units) restricted to 50% or less of area median income households; and
80% (176 Units) restricted to 80% or less of area median income households.
Unit Mix: 1-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	RBC Capital Markets, LLC
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Stoel Rives LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$85,000,000 for The Residences on Canoga Apartments affordable housing facility located in the City of Los Angeles, Los Angeles County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



FARMDALE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Alliant Strategic Development
Action:	Initial Resolution
Amount:	\$20,000,000
Purpose:	Finance Affordable Rental Housing Facilities Located in the City of Los Angeles, Los Angeles County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Amendment – August 21, 2021; Amending Resolution

The Initial Resolution for Residences on Farmdale Apartments was previously approved at the August 21, 2021, CMFA Board meeting. The Borrower has notified the Authority that they will need to increase the not to exceed amount from \$15,000,000 to \$20,000,000.

Background:

Alliant Strategic Development is led by an experienced team of multifamily real estate professionals. With an average of 25 years of real estate experience, Alliant's executives have collectively built a portfolio of over 1,000 affordable housing communities and have provided homes for over 400,000 families nationwide.

Alliant's focus is to develop safe, healthy, and affordable communities where residents and their families can thrive. This approach directly impacts affordable housing residents by providing quality and stable environments, strengthening the foundations of the communities they serve. Their experience in creative financing and capital structuring has helped in identifying and closing complicated and unique acquisition opportunities. With over 20 years of existing relationships, Alliant's partners include owners, institutional and family office investors; working together to develop successful and profitable projects.

Alliant has an engineering and design team that creates updated, sustainable designs that promote safe and healthy accommodations for all of their developments. They build high quality and

environmentally friendly properties that integrate well within each local neighborhood and community.

Alliant also has an experienced asset management team ensuring their properties are operating at the highest achievable levels, with positive tenant satisfaction and retention. The asset management team knows market conditions to accurately create viable lease-up schedules resulting in communities that quickly reach stabilization.

The Project:

The Farmdale Apartments project is the new construction of a 26-unit affordable multifamily housing facility located in North Hollywood (a district of Los Angeles), CA. The project will be a five-story building comprised of one- and two-bedroom units. The project will be utilizing the Transit Oriented Communities (“TOC”) incentives and will be required to set-aside 6 of the 26 total units for Low Income (LI), Very Low Income (VLI), or Extremely Low Income (ELI) households with maximum incomes ranging from 30% to 50% of Area Median Income. The unit amenities will include stainless steel kitchen appliances, energy efficient fixtures, central AC, bicycle storage, granite/quartz countertops, “in-unit” washer/dryer and balconies. The project amenities will include a fitness center, resident lounge area, garage parking, additional storage space, and secured-keyless access. This financing will create 26 units of affordable housing for households in the City of Los Angeles for the next 30 years.

The City of Los Angeles:

The City of Los Angeles is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$7,704 as part of the CMFA’s sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Recycled Bonds:	\$ 12,327,150
Developer Equity:	<u>\$ 1,100,000</u>
Total Sources:	\$ 13,427,150

Uses of Funds:

Land Acquisition:	\$ 1,672,211
New Construction:	\$ 8,464,730
Architectural & Engineering:	\$ 500,000
Legal & Professional:	\$ 215,000
Financing Costs:	\$ 782,001
Development Impact Fees & Permit Fees:	\$ 427,500
Developer Fees:	\$ 1,020,841
Reserves:	\$ 81,204
Costs of Issuance:	\$ 30,876
Other Soft Costs*:	<u>\$ 232,787</u>
Total Uses:	\$ 13,427,150

Terms of Transaction:

Amount:	\$20,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	May 2022

Public Benefit:

A total of 26 households will be able to enjoy high quality, independent, affordable housing in the City of Los Angeles for the next 30 years.

Percent of Restricted Rental Units in the Project: 100%
11% (3 Units) restricted to 20% or less of area median income households; and
8% (2 Units) restricted to 30% or less of area median income households; and
4% (1 Units) restricted to 50% or less of area median income households; and
27% (7 Units) restricted to 119% or less of area median income households; and
50% (13 Units) restricted to 133% or less of area median income households.
Unit Mix: 1- & 2-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	RBC Capital Markets, LLC
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Stoel Rives LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$20,000,000 for the Farmdale Apartments affordable housing facility located in the City of Los Angeles, Los Angeles County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



TOPANGA CANYON APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Alliant Strategic Development

Action: Initial Resolution

Amount: \$60,000,000

Purpose: Finance Affordable Rental Housing Facilities Located in the City of Los Angeles, Los Angeles County, California

Activity: Affordable Housing

Meeting: February 4, 2022

Amendment – August 21, 2021; Amending Resolution

The Initial Resolution for Residences on Topanga Canyon Apartments was previously approved at the August 21, 2021, CMFA Board meeting. The Borrower has notified the Authority that they will need to increase the not to exceed amount from \$55,000,000 to \$60,000,000.

Background:

Alliant Strategic Development is led by an experienced team of multifamily real estate professionals. With an average of 25 years of real estate experience, Alliant's executives have collectively built a portfolio of over 1,000 affordable housing communities and have provided homes for over 400,000 families nationwide.

Alliant's focus is to develop safe, healthy, and affordable communities where residents and their families can thrive. This approach directly impacts affordable housing residents by providing quality and stable environments, strengthening the foundations of the communities they serve. Their experience in creative financing and capital structuring has helped in identifying and closing complicated and unique acquisition opportunities. With over 20 years of existing relationships, Alliant's partners include owners, institutional and family office investors; working together to develop successful and profitable projects.

Alliant has an engineering and design team that creates updated, sustainable designs that promote safe and healthy accommodations for all of their developments. They build high quality and

environmentally friendly properties that integrate well within each local neighborhood and community.

Alliant also has an experienced asset management team ensuring their properties are operating at the highest achievable levels, with positive tenant satisfaction and retention. The asset management team knows market conditions to accurately create viable lease-up schedules resulting in communities that quickly reach stabilization.

The Project:

The Topanga Canyon Apartments project is the new construction of a 149-unit affordable multifamily housing facility located in Canoga Park (a neighborhood of Los Angeles), CA. The project will be a podium style, five-story building comprised of one-bedroom units. The project will be utilizing the Transit Oriented Communities (“TOC”) incentives and will set-aside at least 20% of units at 50% of Area Median Income or less and the remaining units will be at 80% of Area Median Income or less. The unit amenities will include stainless steel kitchen appliances, energy efficient fixtures, central AC, bicycle storage, granite countertops, “in-unit” washer/dryer, and balconies. The Property amenities will include a fitness center, resident lounge area, garage parking, additional storage space, and both property and unit secured-keyless access. This financing will create 149-units of affordable housing for households in the City of Los Angeles for the next 30 years.

The City of Los Angeles:

The City of Los Angeles is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$17,162 as part of the CMFA’s sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Recycled Bonds:	\$ 47,178,951
B Tranche Recycled Bonds:	\$ 796,145
Developer Equity:	<u>\$ 2,340,000</u>
Total Sources:	\$ 50,315,096

Uses of Funds:

Land Acquisition:	\$ 9,115,667
New Construction:	\$ 28,066,136
Architectural & Engineering:	\$ 1,500,500
Legal & Professional:	\$ 650,000
Impact and Permitting Fees:	\$ 2,320,000
Developer Fee:	\$ 4,300,000
Financing Fees & Interest:	\$ 2,780,601
Other Soft Costs*:	\$ 1,357,192
Costs of Issuance:	<u>\$ 225,000</u>
Total Uses:	\$ 50,315,096

Terms of Transaction:

Amount:	\$60,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	May 2022

Public Benefit:

A total of 149 households will be able to enjoy high quality, independent, affordable housing in the City of Los Angeles for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%
8% (12 Units) restricted to 20% or less of area median income households; and
12% (18 Units) restricted to 50% or less of area median income households; and
80% (119 Units) restricted to 80% or less of area median income households.
Unit Mix: 2- & 3-bedroom units
Term of Restriction: 30 years

Finance Team:

Lender:	RBC Capital Markets, LLC
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Stoel Rives LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$60,000,000 for the Topanga Canyon Apartments affordable housing facility located in the City of Los Angeles, Los Angeles County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



Current 2022 Board Positions

CMFA

Paula Connors-	Chairperson
Justin McCarthy-	Vice Chairperson and Assistant Treasurer
Deborah A. Moreno-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

CFSC/CFPF

Deborah A. Moreno-	Chairperson and Assistant Treasurer
Paula Connors-	Vice Chairperson
Justin McCarthy-	Treasurer
Bob Adams-	Secretary
Faye K. Watanabe-	Director
Andrew Alexander	Alternate
Joya De Foor	Alternate

Subcommittees:

Audit Subcommittee:	Deborah Moreno and Bob Adams
Finance Subcommittee:	Faye Watanabe and Deborah Moreno
Professional Services Subcommittee:	Paula Connors and Justin McCarthy



ARMORY ARTS COLLECTIVE APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Daylight Community Development, LLC
Action:	Initial Resolution
Amount:	\$26,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Long Beach, Los Angeles County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Background:

Daylight Community Development (“Daylight”) was started when three business school students met with a common desire to help solve the homelessness crisis in California. They all had an interest in new legislation around homelessness and came together to form business plan that made sense with a large focus on modular construction techniques. From this, Daylight Community Development was born.

Daylight Community Development is a for-profit real estate development company working to end homelessness in Los Angeles. Daylight uses innovative construction techniques and financing strategies and new zoning policies to build homeless housing in a more cost -effective manner.

Daylight has successfully created meaningful partnerships in the development of affordable housing. Daylight has been able to bring non-profit and for-profit firms together to maximize collective social impact in Permanent Supportive Housing development

The organization was founded by experienced operators in the retail and multi-family development, affordable housing development, non-profit, consulting, investment banking, private equity and venture capital industries.

The Project:

The Armory Arts Collective Apartments will include adaptive re-use of an existing armory building in the City of Long Beach and will be restored creating six new restricted residential units and a performing arts space, gallery and amenity space for the residents. Construction of a new five-story residential building will create an additional 58 restricted residential units and one non-restricted manager's unit, totaling 64 units with 63 being restricted for affordable rental housing. This financing will create 63 units of affordable housing for low-income households in the City of Long Beach for the next 55 years.

The City of Long Beach:

The City of Long Beach is a member of the CMFA and will be asked to hold a TEFRA hearing. The City is expected to receive approximately \$13,197 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>
Tax-Exempt Bond Proceeds:	\$ 21,750,000
Taxable Bond Proceeds.:	\$ 2,435,473
City of Long Beach:	\$ 5,000,000
Land Loan-City of Long Beach:	\$ 5,150,000
Deferred Developer Fee:	\$ 3,227,495
Deferred Costs:	\$ 265,000
LIH Tax Credit Equity:	<u>\$ 2,858,671</u>
Total Sources:	\$ 40,686,639

Uses of Funds:	
Land Acquisition:	\$ 5,185,000
New Construction:	\$ 25,939,670
Architectural & Engineering:	\$ 1,665,200
Legal & Professional:	\$ 430,000
Interest & Fees:	\$ 1,545,000
Reserves:	\$ 225,000
Soft Costs, Soft Cost Cont., Marketing, etc.*:	\$ 1,013,068
Developer Fee:	\$ 4,502,412
Costs of Issuance:	<u>\$ 181,289</u>
Total Uses:	\$ 40,686,639

Terms of Transaction:

Amount:	\$26,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Closing:	October 2022

Public Benefit:

A total of 63 households will to be able to enjoy high quality, independent, affordable housing in the City of Long Beach 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% (49 Units) restricted to 50% or less of area median income households.
Unit Mix: 1- & 2-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender: TBD.
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel: Jones Hall, APLC
Lender Counsel: TBD
Borrower Counsel: Sabelhaus and Strain, LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$26,000,000 for the Armory Arts Collective Apartments affordable multi-family housing facility located in the City of Long Beach, Los Angeles County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



GREEN HOTEL APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Thomas Safran & Associates

Action: Initial Resolution

Amount: \$60,000,000

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

Activity: Affordable Housing for Seniors

Meeting: February 4, 2022

Background:

Building on more than three decades of strength and experience, Thomas Safran & Associates (“TSA”) has emerged as a leader in the development of affordable housing in Southern California. TSA has developed over 3,500 units and continuously strives to provide premiere housing for seniors and families.

Their rental communities traditionally house 75 to 250 units. Additionally, TSA has developed mixed use and market rate projects.

Their developments are created with excellence in design and with amenities to assist their residents. Such features include basketball courts, playgrounds, large community rooms, wireless internet access, computer rooms, libraries, teen rooms, childcare centers, exercise facilities and other high-quality amenities. While building and managing profitable housing for their investors, their highest goal is to enhance the world in which we live and to enrich the lives of the people who reside in their buildings.

The CMFA has participated in ten other transactions with TSA.

The Project:

The Green Hotel Apartments is an acquisition/rehabilitation of a 139-unit, five-story senior housing community located at 50 E. Green St., Pasadena, CA. The project is made up of 99 studio units, 38 one-bedroom units and one manager unit. The scope of renovations will include renovation of existing community room with new furniture and pool table, television, and more spacious kitchen. Building envelope renovations will include painting and repairing of building exterior, general site improvements, new landscaping and improvements to parking areas, walkways and site lighting. Building systems modernization and replacement (HVAC, Plumbing, Elevator, Roof & Windows). This financing will preserve 138 units of affordable housing for the City of Pasadena for another 55 years.

The City of Pasadena:

The City of Corona is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$16,274 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 42,645,693
Deferred Developer Fee:	\$ 3,702,643
NOI During Construction:	\$ 1,499,484
Tax Credit Equity:	<u>\$ 35,044,604</u>
Total Sources:	\$ 82,892,424

Uses of Funds:

Land Acquisition:	\$ 6,230,000
Building Acquisition:	\$ 35,700,000
Rehabilitation:	\$ 27,499,999
Architectural & Engineering:	\$ 750,000
Legal & Professional:	\$ 457,235
Financing Fees:	\$ 2,778,242
Soft Costs:	\$ 921,036
Reserves:	\$ 779,793
Developer Fee:	\$ 7,548,869
Costs of Issuance:	<u>\$ 227,250</u>
Total Uses:	\$ 82,892,424

Terms of Transaction:

Amount:	\$60,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2022

Public Benefit:

A total of 138 senior households will continue to be able to enjoy high quality, independent, affordable housing in the City of Pasadena, California for another 55 years.

Percent of Restricted Rental Units in the Project: 100%
11% (14 Units) restricted to 50% or less of area median income households; and
89% (124 Units) restricted to 60% or less of area median income households
Unit Mix: Studio and one-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: Bocarsly Emden Cowal Esmail & Arndt LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$60,000,000 for the Green Hotel Apartments affordable multi-family housing facility located in the City of Pasadena, Los Angeles County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



710 BROADWAY APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	The Related Companies
Action:	Initial Resolution
Amount:	\$350,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Santa Monica, Los Angeles County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Background:

In 1972, Stephen Ross founded Related Companies, known then as Related Housing Companies. Today, Related is a fully integrated, highly diversified industry leader with expertise in virtually every aspect of development, acquisitions, management, finance, marketing and sales.

Related owns and operates a portfolio of assets valued at over \$15 billion. Affordable housing laid the foundation of Related Companies, and they continue to place a high priority on developing, acquiring and preserving housing for this sector. Over 60% of the 40,000 residential apartment homes under their management are part of one or more affordable housing programs, and an additional 20% of these homes provide workforce housing.

To date, Related has developed or acquired over 23,000 affordable housing units with a total value of approximately \$3.5 billion. Currently, they have over 7,000 units under development or under contract throughout the country with a value in excess of \$1.5 billion. Their portfolio of affordable and mixed-income developments demonstrates their continuing ability to create affordable housing opportunities in a variety of geographically, economically and socially diverse neighborhoods.

The Project:

The 710 Broadway Apartments is the proposed new construction of an eight-story, mixed-use building with 280 residential units (including 84 deed-restricted affordable and moderate units), approximately 99,085 square feet of commercial space, and two levels of subterranean parking. A new 63,500 square foot state-of-the-art grocery store will operate onsite, along with neighborhood-serving retail. The existing Vons supermarket and all related site improvements will be demolished. The project will offer coworking space with coffee bar; lounge with bar, demonstration kitchen and catering kitchen; fitness pavilion and outdoor fitness deck; courtyard including outdoor coworking, communal lawn, BBQ dining grove, fire pits and hammock court; pool deck with lap swimming, hot and cold plunge pools, sauna barrels and outdoor lounge seating; speakeasy lounge with bowling alley and screening room; pet spa; bike and residential storage. Charitable services or benefits, such as vocational training, educational programs, childcare and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services will be provided or information regarding such charitable services or benefits will be made available. This financing will create 84 units of affordable and moderate housing for low-income households in the City of Santa Monica for the next 55 years.

The City of Santa Monica:

The City of Santa Monica is a member of the CMFA and will be asked to hold a TEFRA hearing. The City is expected to receive approximately \$67,500 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>
Tax-Exempt Bond Proceeds:	\$ 30,000,000
Taxable Bond Proceeds:	<u>\$ 320,000,000</u>
Total Sources:	\$ 350,000,000

Uses of Funds:	
Land Acquisition:	\$ 75,187,500
New Construction:	\$ 192,857,326
Professional Fees:	\$ 10,975,131
Fees & Permits:	\$ 11,743,231
Financing & Other Costs:	\$ 57,436,812
Costs of Issuance:	<u>\$ 1,800,000</u>
Total Uses:	\$ 350,000,000

Terms of Transaction:

Amount:	\$350,000,000
Maturity:	30 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Closing:	June 2022

Public Benefit:

A total of 84 households will to be able to enjoy high quality, independent, affordable and moderate housing in the City of Santa Monica for the next 55 years.

Percent of Restricted Rental Units in the Project: 30%
11% (16 Units) restricted to 30% or less of area median income households;
11% (16 Units) restricted to 40% or less of area median income households;
11% (25 Units) restricted to 80% or less of area median income households; and
11% (27 Units) restricted to 120% or less of area median income households;
Unit Mix: 1-, 2-, 3- and 4-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	TBD.
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Cox, Castle & Nicholson LLP
Financial Advisor:	Novogradac & Company LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$350,000,000 for the 710 Broadway Apartments affordable multi-family housing facility located in the City of Santa Monica, Los Angeles County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



CALIFORNIA SAFE SOIL, LLC SUMMARY AND RECOMMENDATIONS

Applicant: California Safe Soil, LLC, dba CSS

Action: Initial Resolution

Amount: \$55,000,000

Purpose: Finance Facility to Process Food and Other Organic Waste, Located in the Unincorporated Portion of Sacramento County, California

Activity: Pollution Control

Meeting: December 3, 2021

Amendment – August 21, 2021; Amending Resolution

The Initial Resolution for the California Safe Soil project was previously approved at the December 3, 2021, CMFA Board meeting. The Borrower has notified the Authority that they will need to increase the not to exceed amount from \$55,000,000 to \$70,000,000.

Background:

California Safe Soil, LLC (“CSS”) was formed in August 2011 to commercialize its patented enzymatic digestion technology to recover food that would otherwise go to waste. Similar to human digestion, the CSS Sustainable Technology breaks down long chain proteins, fats and carbohydrates in the recovered food into short chain, "building block" molecules: amino acids, organic acids and simple sugars. The process is highly efficient, utilizing food processing industry equipment to convert recovered food into finished products in approximately 3 hours. The resulting products include liquid organic fertilizer, animal feed and liquid and dried pet food ingredients.

CSS built a pilot plant in West Sacramento, CA in 2012, recovering food from Safeway, Save Mart, Nugget Markets, Whole Foods and Grocery Outlet supermarkets. CSS worked with Agronomic, Animal Sciences and Veterinary Medicine experts at UC Davis and elsewhere to prove the safety and efficacy of their process and products.

In 2016, CSS constructed a commercial scale plant with its technology capable of processing 5,000 tons per year of recovered food. CSS entered into a long-term supply agreement with Save Mart supermarkets for its stores, as well as with Nugget Markets. In addition, CSS works with the Golden1 Center, home of the Sacramento Kings professional basketball team. After games, the food leftovers go to the Food Bank and CSS collects the food preparation waste. In recognition of its Sustainable Technology, CSS received the Governor's Economic and Environmental Leadership Award from then Governor Jerry Brown in 2017.

The initial focus of CSS's product marketing efforts was on California's organic and conventional farm market. CSS's "Harvest to Harvest," or "H2H" liquid fertilizer feeds the entire food chain of soil organisms, sustainably increasing crop yields and protecting plants from pests, diseases and adverse conditions like excessive salt due to drought. H2H is distributed to California farmers by all the major agricultural products distributors and sales of H2H continue to grow steadily. H2H reduces farmers' reliance on chemical fertilizers and pesticides, reducing riparian nitrate runoff, reducing greenhouse gas emissions and sequestering carbon in the soil. H2H is also sold through bottlers who distribute it through major retailers into the home lawn and garden market.

In the past two years, CSS has discovered that its technology is ideally suited to pet food ingredient production. In the H2H process, amino acids and sugars combine in the Maillard reaction, creating a highly palatable product that performs very well in kennel tests. Made as they are from human quality fruits, vegetables and meats, the resulting H2H pet food ingredients are highly nutritious, hypo-allergenic, easily digestible, consistent in quality and competitively priced. CSS has developed relationships with several pet food companies and needs to increase its capacity to meet their demand for the product.

The Project:

CSS will use the proceeds of the bonds to finance the acquisition, development, construction, rehabilitation, upgrade, expansion and equipping of a facility to process food and other organic waste for disposal and conversion to other products, to be located in the unincorporated portion of the County of Sacramento.

The County of Sacramento:

The County of Sacramento is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the County is expected to receive approximately \$21,250 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 55,000,000
Equity:	<u>\$ 24,152,634</u>
Total Sources:	\$ 79,152,634

Uses of Funds:

New Construction:	\$ 34,500,000
Architectural & Engineering:	\$ 1,900,000

Legal & Professional:	\$ 1,100,000
Interest During Construction:	\$ 6,600,000
Debt Service Reserve:	\$ 5,500,000
Management Costs:	\$ 5,400,000
CSS Intellectual Property:	\$ 22,445,134
Costs of Issuance:	\$ 1,707,500
Total Uses:	\$ 79,152,634

Terms of Transaction:

Amount:	\$70,000,000
Maturity:	15 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	July 2022

Public Benefit:

Supports California SB 1383 goal of recycling organic materials and cutting greenhouse gas emissions from wasted organic material in landfills. The financing will also help CSS provide employment for 44 workers and management in the Sacramento County area.

Finance Team:

Lender:	Goldman Sachs
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Duane Morris LLP
Financial Advisor:	Breakthrough Ventures

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$70,000,000 for the California Safe Soil, LLC project located in the unincorporated portion of Sacramento County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.



EAST GARRISON APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Community Housing Improvement Systems and Planning Association, Inc. (CHISPA)
Action:	Final Resolution
Amount:	\$27,744,207
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the Unincorporated Community of East Garrison, Monterey County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Background:

CHISPA (Community Housing Improvement Systems and Planning Association, Inc.) is the largest private, nonprofit housing developer based in Monterey County. Since its incorporation in 1980, CHISPA has built and renovated 2,268 single-family homes and apartments for low and moderate-income people in Monterey, San Benito, and Santa Cruz Counties.

CHISPA is a 501(c)(3) nonprofit Community-based Housing Development Organization (CHDO), overseen by a nine-member Board of Directors. The board members have diverse backgrounds and experience in law, agriculture, education, banking, and business. CHISPA manages all its apartment buildings with its subsidiary management company CHISPA Housing Management (CHMI).

CHISPA offers onsite educational and recreational programs for the residents in their rental properties. CHISPA provides these through partnerships with local community organizations and individual instructors, including YMCA, Boys and Girls Club of Monterey County, Read to Me Project, Alisal Percussion, Arts Council for Monterey County, and Alliance on Aging.

CHISPA constructs its apartment buildings and homes with its in-house general contracting company Central Coast Residential Builders (CCRB).

The Project:

The East Garrison Apartments is the new construction of an affordable multifamily housing development located at 21131 Ord Avenue in the community of East Garrison, Monterey County. The project will be made up of 65 affordable family apartments plus 1 unrestricted manager's unit. The complex is located on two parcels separated by townhomes (built by subdivision developer). The project will include a residents' center with kitchen for onsite resident activities, and a computer room. The building is located in a subdivision with 400 single family homes and another affordable apartment building (already built), a fire station, public parks, community center. A library and limited retail will be built later, as will live/work artists residences. About 49% of the apartments in the East Garrison Apartments will be rented to agricultural employees as required by the Joe Serna Farmworker funding in the funding sources. The financing of this project will result in the creation of affordable housing for 65 low-income households in the community of East Garrison for the next 55 years.

The County of Monterey:

The County of Monterey is a member of the CMFA and held a TEFRA hearing on October 26, 2021. Upon closing, the County is expected to receive approximately \$13,124 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:	\$ 16,500,000	\$ 7,410,489
Taxable Bond Proceeds:	\$ 2,114,795	\$ 0
LIH Tax Credit Equity:	\$ 1,092,900	\$ 9,833,102
HCD Serna:	\$ 5,477,743	\$ 5,477,743
Sponsor Loan – County TIF:	\$ 4,732,492	\$ 4,732,492
Sponsor Loan – MBP:	\$ 0	\$ 165,000
GP Equity:	\$ 0	\$ 3,300,000
Deferred Costs:	<u>\$ 2,220,907</u>	<u>\$ 1,210,011</u>
Total Sources:	\$ 32,138,837	\$ 32,128,837

Uses of Funds:

Land Cost/ Acquisition:	\$ 3,300,000
New Construction:	\$ 17,539,645
Architectural Fees:	\$ 436,000
Survey & Engineering:	\$ 100,000
Legal Fees:	\$ 90,000
Construction Financing Costs:	\$ 1,538,027
Perm Financing Costs:	\$ 178,210
Reserves & Escrows:	\$ 402,300
Contingency:	\$ 1,327,775
Local Development Impact Fees:	\$ 2,792,115
Other Soft Costs*:	\$ 721,609
Developer Costs:	<u>\$ 3,703,156</u>
Total Uses:	\$ 32,128,837

Terms of Transaction:

Amount:	\$27,744,207
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	February 2022

Public Benefit:

A total of 65 low-income households will be able to enjoy high-quality, independent, affordable housing in the community of East Garrison for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%

10% (7 Units) restricted to 30% or less of area median income households; and
37% (24 Units) restricted to 50% or less of area median income households; and
28% (18 Units) restricted to 60% or less of area median income households; and
25% (16 Units) restricted to 80% or less of area median income households.

Unit Mix: 1-, 2- & 3-bedroom units

Term of Restriction: 55 years

Finance Team:

Lender:	JPMorgan Chase Bank
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	FisherBroyles LLP
Borrower Counsel:	Gubb & Barshay, LLP
Financial Advisor:	Community Economics, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$27,744,207 for the East Garrison Apartments affordable multi-family housing facility located in the unincorporated community of East Garrison, Monterey 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.



VALENCIA GARDEN APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	C&C Development
Action:	Final Resolution
Amount:	\$20,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Orange, Orange County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Background:

C&C Development is a full-service Real Estate Development Company with over 30 years of experience. The principals and senior management staff of C&C Development take a hands-on approach to all aspects of the real estate development process: acquisition, entitlement, financing, construction, management, and ownership. The company is closely associated with many of the finest professional consultants in the business; architects, land planners, engineers, attorneys and accountants.

C&C works closely with City staff to effectively utilize and leverage available funds to meet affordable housing production requirements as well as to achieve redevelopment goals relating to neighborhoods and specific properties. C&C uses a variety of funding sources including tax exempt bonds, low-income housing tax credits, tax increment financing, as well as NSP, HOME, CDBG, HUD and conventional financing.

The Project:

The Valencia Garden Apartments is a new construction project located in the City of Orange on a 2.81-acre site. The project consists of 54 restricted rental units, 7 market rate units, and 1 unrestricted manager's unit. The project will have 18 two-bedroom units and 44 three-bedroom units. The project will contain 2 three-story residential buildings with no elevators and a one-story storage building. The buildings will be wood frame, slab on grade, with stucco exteriors. Common amenities will include a tot lot, outdoor fitness/teen area, BBQ pavilion, community room, technology center, and an on-site laundry facility. Each unit will have a refrigerator, range/oven, garbage disposal, central heating and cooling, and a storage closet. The construction is expected to begin February 2022 and be completed in October 2023. The financing of this project will result in the addition of 54 units of affordable housing for low-income households in the City of Orange for the next 55 years.

The City of Orange:

The City of Orange is a member of the CMFA and held a TEFRA hearing on October 13, 2021. Upon closing, the City is expected to receive approximately \$12,516 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond:	\$ 16,100,000	\$ 10,303,160
Tranche B Financing:	\$ 0	\$ 1,533,230
Taxable Bond:	\$ 2,400,200	\$ 0
LIH Tax Credit Equity:	\$ 0	\$ 11,995,996
General Partner Equity:	\$ 100	\$ 100
Deferred Developer Fee:	\$ 2,713,825	\$ 963,825
Limited Partner Equity:	\$ 3,735,763	\$ 0
City of Orange (Various):	\$ 5,012,500	\$ 5,012,500
City of Orange (HOME):	\$ 1,600,000	\$ 1,600,000
Other Costs Deferred Until Completion:	\$ 325,943	\$ 0
Orange County:	<u>\$ 0</u>	<u>\$ 479,520</u>
Total Sources:	\$ 31,888,331	\$ 31,888,331

Uses of Funds:

Land Cost/ Acquisition:	\$ 4,321,000
Construction Costs:	\$ 16,645,802
Construction Hard Cost Contingency:	\$ 1,654,493
Soft Cost Contingency:	\$ 300,000
Architectural/ Engineering:	\$ 1,175,000
Construction Interest & Perm Financing:	\$ 1,649,232
Legal Fees:	\$ 160,000
Reserves:	\$ 283,800
Other Costs:	\$ 2,235,179
Developer Fee:	<u>\$ 3,463,825</u>
Total Uses:	\$ 31,888,331

Terms of Transaction:

Amount:	\$20,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	February 2022

Public Benefit:

A total of 54 households will be able to enjoy high quality, independent, affordable housing in the City of Orange for the next 55 years.

Percent of Restricted Rental Units in the Project: 89%
33% (20 Units) restricted to 30% or less of area median income households; and
15% (9 Units) restricted to 50% or less of area median income households; and
41% (25 Units) restricted to 60% or less of area median income households
Unit Mix: 2 & 3-bedroom units.
Term of Restriction: 55 years

Finance Team:

Lender:	Bank of America, N.A.
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Davis Wright Tremaine LLP
Borrower Counsel:	Goldfarb & Lipman LLP

Recommendation:

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

*Other Costs: These are costs that are categorized by CDLAC as "Other Costs" they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.

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



SANTA FE COMMONS APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Self-Help Enterprises
Action:	Final Resolution
Amount:	\$33,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Tulare, Tulare County, California
Activity:	Affordable Housing
Meeting:	February 4, 2022

Background:

Self-Help Enterprises (“SHE”) is a private, non-profit, 501(c)(3) tax exempt corporation established under the laws of the State of California in order to improve the living conditions and community standards of low-income families in an eight-county rural area of California’s San Joaquin Valley. The primary emphasis of the organization has continuously been the creation of new affordable housing opportunities and the preservation and improvement of existing housing.

SHE has completed construction on over 6,200 new single-family homes. These homes were all built under the mutual self-help method of construction with homeowners providing over 70 percent of construction labor requirements. SHE located or developed the lots, assisted families in obtaining affordable financing, and provided technical resources and construction supervision during construction of these new homes. The first program of its kind, SHE has, in its 51-year history, served as a prototype for dozens of similar programs scattered throughout the rural United States.

SHE has rehabilitated over 6,361 homes in low-income neighborhoods in the eight-county area of the San Joaquin Valley. A key element of SHE efforts in this area has been the assistance to local communities in competing for scarce resources and successfully implementing rehabilitation programs. SHE has developed and operates 1,347 rental housing units. SHE has also assisted numerous Housing Authorities and other entities in the development of multi-family housing units in the eight-county service area. SHE owns and operates all of the rental units long-term and provides on-site resident services such as computer training, after school program, Zumba and obesity prevention services, and other community-based programs designed to empower residents to be healthy and financially secure.

The Project:

The Santa Fe Commons Apartments is a new construction project located in the City of Tulare, CA. The project includes the construction of an 81-unit affordable rental community with one manager's unit. The project will include 36 one-bedroom units, 24 two-bedroom units, and 21 three-bedroom units. There will be a centrally located community building and a laundry facility. The project will serve working families with incomes at or below 60% AMI. The project includes 100% solar PV to offset common areas and resident loads. The financing of this project will result in the creation of affordable housing for 80 low-income households in the City of Tulare for the next 55 years.

The City of Tulare:

The City of Tulare is a member of the CMFA and held a TEFRA hearing on December 21, 2021. Upon closing, the City is expected to receive approximately \$13,287 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:	\$ 15,443,215	\$ 495,000
Taxable Bond Proceeds:	\$ 6,513,201	\$ 0
LIH Tax Credit Equity:	\$ 0	\$ 16,890,644
GP Equity:	\$ 0	\$ 400,000
Deferred Developer Fee:	\$ 0	\$ 1,440,633
HCD- NPLH:	\$ 0	\$ 4,934,239
HCD- Serna:	\$ 0	\$ 3,224,828
City of Tulare - Asset Fund:	\$ 1,000,000	\$ 1,000,000
City of Tulare - PLHA:	\$ 318,433	\$ 318,433
Neighborworks - sponsor loan:	\$ 1,100,000	\$ 1,100,000
Investor equity at construction:	<u>\$ 1,704,064</u>	<u>\$ 0</u>
Total Sources:	\$ 26,078,913	\$ 29,803,777

Uses of Funds:	
Land Cost/ Acquisition:	\$ 1,058,800
New Construction:	\$ 19,666,250
Construction Hard Cost Contingency:	\$ 983,313
Soft Cost Contingency:	\$ 220,000
Architectural/Engineering:	\$ 600,000
Const. Interest, Perm. Financing:	\$ 1,568,216
Legal Fees:	\$ 15,000
Reserves:	\$ 704,863
Other Soft Costs*:	\$ 1,487,335
Developer Costs:	<u>\$ 3,500,000</u>
Total Uses:	\$ 29,803,777

Terms of Transaction:

Amount:	\$33,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	February 2022

Public Benefit:

A total of 80 households will be able to enjoy high quality, independent, affordable housing in the City of Tulare, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%

20% (16 Units) restricted to 20% or less of area median income households; and
19% (15 Units) restricted to 30% or less of area median income households; and
22% (18 Units) restricted to 45% or less of area median income households; and
23% (19 Units) restricted to 50% or less of area median income households; and
16% (12 Units) restricted to 60% or less of area median income households.

Unit Mix: 1-, 2- and 3-bedroom units.

Term of Restriction: 55 years

Finance Team:

Lender:	U.S. Bancorp
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Kutak Rock LLP
Borrower Counsel:	Gubb & Barshay LLP
Financial Advisor:	Community Economics, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$33,000,000 for the Santa Fe Commons Apartments affordable multi-family housing facility located in the City of Tulare, Tulare 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.

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INTEGRITY PORTFOLIO SUMMARY AND RECOMMENDATIONS

Applicant: Integrity Housing

Action: Final Resolution

Amount: \$155,000,000

Purpose: Finance Affordable Multi-Family Rental Housing Facilities Located in the Cities of Belmont, Hayward and San Leandro, Counties of San Mateo and Alameda, California

Activity: Affordable Housing

Meeting: February 4, 2022

Background:

Integrity Housing's history began in 1993 with the formation of Affordable Housing Alliance II, Inc. (AHA) with a mission to provide safe, quality multi-family rental housing to households of moderate to low income, initially in the State of Colorado. In the 1990's AHA partnered in the development of Maroon Creek which provides workforce housing in the City of Aspen as well as Woodbridge and Reflections, senior housing in the City of Fort Collins. The cities of Aspen and Fort Collins proved to be good partners and ensure the success of each development. Each project continues to thrive and provide a home for residents.

From the 1990's through 2010, working with an affiliate, key team members of AHA continued to develop, own and operate over 10,000 units of affordable multi-family housing throughout the United States. Rebranding to Integrity Housing in 2010 the company initiated new collaborations of experts in the field of affordable housing, finance and investment strategies to expand its portfolio across the United States.

Today the Company places a strong emphasis on integrity in the business they do with partners, lenders, investors and residents. With industry experience tracing back to 1999 the leaders of Integrity Housing have built a diverse and extensive track record in all areas of multifamily and affordable housing.

The Project:

The Integrity Portfolio is the acquisition and rehabilitation of three separate multifamily market rate housing projects. Each project will be purchased using 501(c)3 bonds to be converted to affordable multifamily housing projects. The three projects are Three21 @ Belmont, Andina and Metro 77&85.

The Three21 @ Belmont project is the acquisition and rehabilitation of a 65-unit multifamily market rate housing project. It will be converted to an affordable multifamily housing project with incomes restricted to 50% and 80% of AMI. 25% of the units will remain market rate. Community amenities will include a renovated pool, lounge area, new hardwood floors, stainless steel appliances, granite countertops, gym facilities, business center, laundry facilities and a BBQ picnic area. The project is located at 301-321 Oxford Way, in the City of Belmont. This financing will create 49 units of affordable housing in the City of Belmont for the next 30 years.

The Andina Apartments project is the acquisition and rehabilitation of an 89-unit multifamily market rate housing project. The project will be converted to an affordable multifamily housing project with incomes restricted to 50% and 80% of AMI. 25% of the units will remain market rate. Community amenities will include covered parking, swimming pool, dog park, two roof top decks, panoramic views, outdoor BBQ and picnic area. The project is located at 1180-1182 E. Street, in the City of Hayward. This financing will create 67 units of affordable housing in the City of Hayward for the next 30 years.

The Metro 77 & 85 Apartments project is the acquisition and rehabilitation of a 146-unit multifamily market rate housing project. The project will be converted to an affordable multifamily housing project with incomes restricted to 50% and 80% of AMI. 25% of the units will remain market rate. Community amenities will include a renovated pool, lounge area, upgraded unit interiors, stainless steel appliance, etc. The project is located at 77-85 Estabrook Street, in the City of San Leandro. This financing will create 110 units of affordable housing in the City of Concord for the next 30 years.

The Cities of Belmont, Hayward & San Leandro:

The Cities of Belmont, Hayward & San Leandro are all members of the CMFA and held or are scheduled to hold TEFRA hearings on January 11, 2022, February 1, 2022, and February 7, 2022 respectively. Upon closing, the Cities are expected to receive up to a combined total of \$35,000 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 121,517,000
Total Sources:	\$ 121,517,000

Uses of Funds:

Building Acquisition:	\$ 113,500,000
Rehabilitation:	\$ 7,478,000
Costs of Issuance:	\$ 539,000
Total Uses:	\$ 121,517,000

Terms of Transaction:

Amount:	\$155,000,000
Maturity:	30 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Institutional & Sophisticated Investors
Rating:	Unrated
Estimated Closing:	February 2022

Public Benefit:

A total of 226 households will be able to enjoy high quality, independent, affordable housing in the Cities of Belmont, Hayward and San Leandro for the next 30 years.

Percent of Restricted Rental Units in the Project: 75%
20% (60 Units) restricted to 50% or less of area median income households; and
55% (165 Units) restricted to 80% or less of area median income households; and
Unit Mix: 1-, 2- and 3-bedrooms
Term of Restriction: 30 years

Finance Team:

Underwriter:	Piper Sandler & Co.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Underwriter Counsel:	Kutak Rock LLP
Borrower Counsel:	Chernove & Associates, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$155,000,000 for the Integrity Portfolio affordable housing facilities located in the Cities of Belmont, Hayward and San Leandro, San Mateo and Alameda Counties, 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.



REPRESENTATIVES OF SIERRA MANAGEMENT GROUP, LLC. SUMMARY AND RECOMMENDATIONS

Action: Representatives of Sierra Management Group, LLC.

Meeting: February 4, 2022

Background:

Section 8 of the Professional Services Agreement amongst Sierra Management Group, LLC (“SMG”), California Municipal Finance Authority (“CMFA”) and California Foundation for Stronger Communities (“CFSC”) require that Representatives of Sierra identified to the CMFA and CFSC must be accepted as evidenced by an approving action of the Board of the CMFA.

SMG has hired Kristen Borgquist to provide administrative, analytical, compliance and operational support.

Recommendation:

It is recommended that the CMFA Board of Directors approve Kristen Borgquist as a Representative of SMG.