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## **THE LAKES APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Affordable Housing Alliance II, Inc., dba Integrity Housing
Action:	Final Resolution
Amount:	\$3,000,000
Purpose:	Finance an Affordable Multi-Family Rental Housing Facility Located in the City of Concord, Contra Costa County, California
Activity:	Affordable Housing
Meeting:	April 1, 2022

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### Amendment – February 25, 2022, Final Resolution

The final resolution for the Lakes Apartments was approved on February 25, 2022. The final resolution did not cover the C Series of bonds which will be issued in a not to exceed amount of \$3,000,000.

### 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 ensured 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. 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 Lakes Apartments project is the acquisition and rehabilitation of a 102-unit multifamily market rate housing project. The project will be purchased using 501(c)3 bonds to be converted to an affordable multifamily housing project with incomes restricted to 50% and 80% of AMI. Community amenities will include a renovated pool, lounge area, upgraded unit interiors, stainless steel appliance, etc. The project is located at 1818, 1819, 1850 Laguna St., in the City of Concord. This financing will create 102 units of affordable housing in the City of Concord for the next 30 years.

The City of Concord:

The City of Concord became a member of the CMFA and held a TEFRA hearing on February 22, 2022. Upon closing, the City is expected to receive up to \$15,119 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond Series C:	\$ 1,440,000
Total Sources:	\$ 1,440,000

Uses of Funds:

Repayment of Taxable Loan (Taxable loan \$440,000 & Developer fee \$1,000,000):	\$ 1,440,000
Total Uses:	\$ 1,440,000

Terms of Transaction:

Amount:	\$3,000,000
Maturity:	30 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	April 2022

Public Benefit:

A total of 102 households will be able to enjoy high quality, independent, affordable housing in the City of Concord for the next 30 years.

Percent of Restricted Rental Units in the Project: 100%  
21% (21 Units) restricted to 50% or less of area median income households; and  
79% (81 Units) restricted to 80% or less of area median income households.  
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 \$3,000,000 for The Lakes Apartments affordable housing facility located in the City of Concord, Contra Costa 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.