



ASCENCIA APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc. (MAAC)
Action:	Initial Resolution
Amount:	\$125,000,000
Purpose:	Finance an Affordable Multi-Family Rental Housing Facility Located in the City of National City, San Diego County, California
Activity:	Affordable Housing
Meeting:	March 4, 2022

Background:

MAAC has been in operation in San Diego since 1965. To date, MAAC has developed nearly 1,000 units of affordable housing throughout San Diego County. MAAC prides themselves in providing much needed affordable housing in San Diego County, but they are also aware that effective community serving programs are crucial to have on site. That is why they provide onsite resident service centers; STEP (Striving Towards Economic Prosperity) which encourages participants to achieve and sustain self-sufficiency by overcoming barriers to employment, increasing income, and promoting behaviors that lead to self-reliance. The common thread weaving their programs together is their collective work as an organization and as a community partner to offer the tools needed to achieve self-sufficiency.

MAAC provides services to over 35,000 individuals annually throughout San Diego County. Collaboration with community partners ensures MAAC remains on the forefront of the community's ever-changing needs, while strong relationships with funders foster strategic planning around emerging trends. In keeping with their mission of "maximizing self-sufficiency with families and individuals through high-quality programs and advocacy in their communities," MAAC strives to eliminate social and economic barriers leading to increased self-reliance.

The Project:

The Azuriik Apartments project is the new construction of a 400-unit multifamily affordable housing project located in the City of National City, CA. The project will be restricted to households earning up to 60% of Area Median Income, with four units designated for property management. Amenities will include a leasing and management offices, business center, community room with kitchen, exercise room, and centrally located laundry facilities, outdoor courtyard/picnic area, playground and vegetable garden. The project will offer resident services including job training, referral services and onsite management. This financing will create 396 units of affordable multifamily housing for low-income households in the City of National City for the next 55 years.

The City of National City:

The City of National City is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$29,921 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 92,445,602
Taxable Bond Proceeds:	\$ 13,525,617
Recycled Bond Proceeds:	\$ 18,559,015
Federal LIH Tax Credit Equity:	\$ 29,953,932
City of National City:	\$ 10,000,000
Deferred Developer Fee:	\$ 7,890,991
GP Cont. of Dev. Fee:	\$ 10,165,429
Residual RL Accrued Interest:	\$ 550,000
Deferred Costs:	<u>\$ 2,499,562</u>
Total Sources:	\$ 185,590,148

Uses of Funds:

Land Acquisition:	\$ 16,000,000
New Construction:	\$ 116,175,576
Architectural & Engineering:	\$ 4,106,545
Development Impact & Permit Fees:	\$ 9,800,000
Financing Fees & Interest:	\$ 7,747,644
Developer Fee:	\$ 21,556,420
Legal Fees:	\$ 685,000
Reserves:	\$ 1,207,661
Contingencies:	\$ 6,538,456
Soft Costs*:	\$ 1,679,081
Costs of Issuance:	<u>\$ 93,765</u>
Total Uses:	\$ 185,590,148

Terms of Transaction:

Amount:	\$125,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2022

Public Benefit:

A total of 396 low-income households will be able to enjoy high quality, independent, affordable housing in the City of National City, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%

- 100% (82 Units) restricted to 30% or less of area median income households;
- 100% (150 Units) restricted to 50% or less of area median income households; and
- 100% (164 Units) restricted to 60% or less of area median income households.

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

Term of Restriction: 55 years

Finance Team:

Lender:	Citibank
Bond Counsel:	Orrick Herrington & Sutcliffe LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Goldfarb and Lipman LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$125,000,000 for the Azuriik Apartments affordable multi-family housing facility located in the City of National City, San Diego 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” and 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 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.



ALBANY FAMILY HOUSING APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Satellite Affordable Housing Associates
Action:	Initial Resolution
Amount:	\$45,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Albany, Alameda County, California
Activity:	Affordable Housing
Meeting:	March 4, 2022

Background:

Satellite Affordable Housing Associates (“SAHA”) provides quality affordable homes and services that empower people and strengthen neighborhoods.

SAHA began from the idea that every person deserves a home. Their work is inspired by a belief that quality homes and empowering services should be in reach for all of the Bay Area’s community members and that despite the many obstacles to providing housing for people with low-incomes and special needs, this goal is possible.

SAHA’s innovative properties provide more than 3,000 residents in seven counties in northern California with much-needed affordable housing and services. With a commitment to high-quality design and thoughtful, ongoing supportive services, they empower their residents to build better lives and create healthier, safer communities.

The Project:

Albany Family Housing, located at the intersection of Cleveland Avenue and Washington Avenue in Albany, will be a new construction, affordable housing community with 62-units of housing for families and households experiencing homelessness. The building will include two (2) studio, twenty-three (23) one-bedroom, twenty (20) two-bedroom, and seventeen (17) three-bedroom rental apartments, including one apartment for the on-site property manager. The development will be four stories consisting of a podium parking garage and three floors of apartment units. The podium will be lined by three residences, the main entry lobby, management office, and bicycle room on Cleveland Avenue. The building will be L-shaped and is designed around a 6,823 square foot podium level courtyard. The outdoor space affords programming for a tot lot, turf/play area, play structure for children, gardening beds, patio seating, and game tables. The community room and laundry room face onto the open space and families can watch over one another while working on household tasks. The community room with a kitchen is a flexible space for classes, meetings, and special events. A dedicated Resident Services office is immediately adjacent to the community room and courtyard to facilitate programming for staff and residents. This financing will create 61 units of affordable housing for households in the City Albany for the next 55 years.

The City of Albany:

The City of Albany is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$15,416 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 29,329,928
Taxable Bond Proceeds:	\$ 8,171,004
Alameda County A1 Bond:	\$ 2,330,026
Alameda County HOME:	\$ 2,698,857
Accrued County Loan Interest:	\$ 202,312
FHLB Affordable Housing Program:	\$ 915,000
City of Albany Land Loan:	\$ 4,650,000
City of Albany Fee Waiver:	\$ 406,095
Deferred Developer Fee:	\$ 162,413
Costs Deferred Until Perm:	\$ 3,036,896
LIHTC Equity:	\$ <u>5,353,058</u>
Total Sources:	\$ 57,225,589

Uses of Funds:

Land Acquisition:	\$ 4,650,000
New Construction:	\$ 41,154,383
Architectural & Engineering:	\$ 1,490,710
Legal and Professional:	\$ 127,500
Construction Loan Interest:	\$ 2,286,376
Capitalized Reserves:	\$ 1,014,299
Other Soft Costs*:	\$ 2,805,607
Developer Fee:	\$ 3,000,000
Costs of Issuance:	\$ <u>726,714</u>
Total Uses:	\$ 57,255,589

Terms of Transaction:

Amount:	\$45,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2022

Public Benefit:

A total of 61 low-income households will be able to enjoy high quality, independent, affordable housing in the City of Albany, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%

- 21% (13 Units) restricted to 20% or less of area median income households;
- 10% (6 Units) restricted to 30% or less of area median income households;
- 28% (17 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: Studio, 1-, 2- and 3-bedrooms

Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Jones Hall, APLC
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Gubb and Barshay LLP
Financial Advisor:	California Housing Partnership Corporation

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$45,000,000 for Albany Family Housing Apartments affordable multi-family housing facility located in the City of Albany, Alameda 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.



PACIFIC STEEL GROUP PROJECT SUMMARY AND RECOMMENDATIONS

Applicant:	Pacific Steel Group
Action:	Initial Resolution
Amount:	\$350,000,000
Purpose:	Finance the Acquisition, Construction, Rehabilitation, Improvement, and Equipping of a Solid Waste Disposal Facility Located in the Unincorporated Community of Mojave, Kern County.
Activity:	Pollution Control
Meeting:	March 4, 2022

Background:

Pacific Steel Group (PSG) is a leading independent reinforcing steel fabricator with offices throughout the Western United States. They provide concrete reinforcing steel bars, pre-assembled rebar cages, and post tension cables for residential, commercial and industrial construction projects.

Founded in 2014 by industry veterans, PSG brings expertise and experience of a large fabricator/installer with unparalleled independence, flexibility, and responsiveness. Their decades of industry experience enable PSG to offer competitive prices and exceptional flexibility. Their in-house experts customize orders to fit any specific project requirements and make sure delivery and installation are always on schedule.

As an independent company, PSG is able to source materials from around the world to provide the most cost-effective pricing available. PSG is committed to the belief that every project, regardless of size, schedule, and location, deserves a team of seasoned professionals who will be responsive and flexible in their approach.

The Project:

The Mojave project will be a steel micro mill for the manufacturing of rebar from recycled material. Once operational, the project will be one of the largest metals recycling facilities in California and the only metals recycling facility in California utilizing renewable power.

Kern County:

The County of Kern is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the County is expected to receive up to \$95,000 as part of the CMFA's sharing of Issuance Fees. Additionally, local non-profits will also benefit through charitable donations.

Proposed Financing:

Sources:	Proceeds from Bond Issuance:	\$	<u>350,000,000</u>
	Total Sources:	\$	350,000,000
Uses of Funds:			
	Land Acquisition:	\$	2,500,000
	Building Acquisition:		233,000,000
	Machinery & Equipment:		110,000,000
	Architectural & Engineering:		4,000,000
	Cost of Issuance:		<u>500,000</u>
	Total Uses	\$	350,000,000

Terms of Transaction:

Amount:	\$350,000,000
Rate Mode:	Multi-modal
Estimated Rating:	Unrated
Maturity:	TBD
Collateral:	Unsecured
Estimated Closing:	January 2023

Public Benefit:

The Pacific Steel Group project will benefit the local community and state environmentally and economically. The project will be the largest metals recycling facility in California and the only one using renewable power while also creating new employment opportunities in the region.

Finance Team:

Underwriter:	BofA Securities, Inc.
Underwriter Counsel:	TBD
Bond Counsel:	TBD
Borrower Counsel:	TBD
Issuer Counsel:	Jones Hall, APLC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution in the amount of up to \$350,000,000 in solid waste disposal revenue bonds for the benefit of Pacific Steel Group to finance the acquisition, construction, rehabilitation, improvement and equipping of a solid waste disposal facility and for the provision of capital improvements located in the Unincorporated Community of Mojave, County of Kern.

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



THE CARITAS CORPORATION SUMMARY AND RECOMMENDATIONS

Applicant:	The Caritas Corporation
Action:	Final Resolution
Amount:	\$95,000,000
Purpose:	Refinance the Costs of the Acquisition, Construction, and Improvement of Mobile Home Parks and other Affordable Multifamily Housing Facilities Located in the Cities of Brea, Lancaster, Rohnert Park, Vista, and the Town of Yucca Valley, Counties of Lake, Los Angeles, San Bernardino, San Diego, Sonoma, and Orange, California
Activity:	Affordable Housing (Mobile Home Park)
Meeting:	March 4, 2022

Amending Resolution – February 25, 2022 Final Resolution

The CMFA Board approved a Final Resolution on February 25, 2022. The project includes a property located in Rohnert Park and the City of Rohnert Park was not listed on the posted agenda. Therefore, the CMFA Board will need to approve another Final Resolution.

Background:

The Caritas Corporation is a California non-profit public benefit corporation. The mission of The Caritas Corporation is to own and operate affordable housing projects and create vibrant communities where quality of life, resident involvement and caring are priorities.

The Caritas Corporation, based in Irvine, California, was established on September 16, 1996 and is a California nonprofit public benefit corporation. The Borrower received a determination letter from the Internal Revenue Service as to its status as an organization described in Section 501(c)(3) of the Code dated October 24, 1996. Their goal is to own and operate affordable housing projects (mobile home parks) that help lessen the burden of local government by providing and maintaining affordable housing for persons of low income and means.

Caritas owns and operates 20 mobile home parks throughout California that have a combined 3,667 spaces. Caritas is the second largest non-profit owner and operator of mobile home parks in California.

The Project:

The Borrower wishes to finance and refinance the previously incurred costs of the acquisition, construction, improvement and equipment of certain mobile home park facilities owned and operated by the Borrower for the following; (a) a 165 space mobile home park known as Aztec Mobile Home Estates located at 7425 Church Street, Yucca Valley, California 92284; (b) a 123 space mobile home park known as Desert Sands Estates Mobile Home Park located at 45111 25th Street East, Lancaster, California 93535; (c) a 107 space mobile home park known as Estrella de Oro located at 220 Camino Corto, Vista, California 92083; (d) a 464 space mobile home park known as Friendly Village Mobile Home Park located at 1301 E. Avenue I, Lancaster, California 93535; (e) a 261 space mobile home park known as Hacienda Mobile Estates located at 2330 East Avenue J-8, Lancaster, California 93535; (f) a 100 space mobile home park known as Rancho Brea Mobile Home Estates located at 1414 West Central Avenue, Brea, California 92821; (g) a 68 space mobile home park known as Sterling Shores Estates Manufactured Housing Community located at 5830 Robin Hill Road, Lakeport, California 95453; (h) a 283 space mobile home park known as Valley Village Mobile Home Park located at 6401 Country Club Drive in Rohnert Park, California 94928; and (i) a 159 space mobile home park known as Vista Manor Mobile Home Park located at 200 Olive Avenue, Vista, California 92083 (collectively the “Series 2014 Projects” and, when refinanced with certain proceeds of the Bonds (as defined herein), such Series 2014 Projects may also be referred to as the “Series 2022 Projects”).

Lake County and the Cities of Brea, Lancaster, Rohnert Park and Vista and Town of Yucca Valley:

The municipalities all held TEFRA hearings as required for the initial financing. Upon closing, the municipalities are expected to share approximately \$20,833 as part of the CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Taxable Bond Proceeds:	\$ 90,000,000
Prior DSRF 2014A:	\$ 5,000,000
Prior DSRF 2014B:	\$ 1,000,000
Prior DS Fund:	<u>\$ 1,300,000</u>
Total Sources:	\$ 97,300,000

Uses of Funds:

Advance Refunding Escrow:	\$ 90,000,000
Debt Service Reserve Fund:	\$ 5,500,000
Costs of Issuance:	<u>\$ 1,800,000</u>
Total Uses:	\$ 97,300,000

Terms of Transaction:

Amount:	\$95,000,000
Maturity:	2049
Collateral:	Parity Deeds of Trust on property
Bond Purchasers:	Institutional & Retail
Estimated Closing:	March 2022
Expected Rating:	S&P A-

Public Benefit:

Caritas, as a nonprofit, unites people with a purpose to preserve affordable communities that uplift and empower its residents.

With the increasing number of households on fixed or limited incomes and with the scarcity of reliable, long-term, reasonably priced housing in California, Caritas endeavors to create vibrant communities where resident involvement and caring are priorities. In addition to keeping costs down, Caritas works to provide experienced and responsive management of its properties. Residents and Caritas work together to meet ongoing needs, resolve problems and enhance the quality of life throughout its communities.

Finance Team:

Underwriter:	D.A. Davidson & Co.
Underwriter Counsel:	Butler Snow LLP
Bond Counsel:	Squire Patton Boggs (US) LLP
Issuer Counsel:	Jones Hall, APLC
Borrower Counsel:	Dzida, Carey & Steinman PC
Rating Agency:	S&P Global Ratings
Trustee:	Computershare Trust Company, N.A.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Amending Resolution of \$95,000,000 to refinance the acquisition and improvement of mobile home parks located in the Cities of Brea, Lancaster, Rohnert Park, Vista, and the Town of Yucca Valley, Counties of Lake, Los Angeles, San Bernardino, San Diego, Sonoma, and Orange, 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.