



2400 LONG BEACH APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Meta Housing Corporation

Action: Final Resolution

Amount: \$70,000,000

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

Activity: Affordable Housing

Meeting: May 27, 2022

Amendment:

The CMFA Board approved a Final Resolution on April 29, 2022 with a not to exceed amount of \$60,000,000. Due to project cost increase the CMFA will be asked to approve an amending Final Resolution with a not to exceed amount of \$70,000,000.

Background:

The Meta team has been active in the financing, construction, and management of affordable housing since 1969, and has developed more than 8,729 units. Meta's projects actively engage their tenants in activities such as tutoring, wellness, and art. This approach has consistently won national recognition including the National Association of Home Builders' 50+ Housing Gold Achievement award, PCBC Gold Nugget Award and the SAGE Award. The National Endowment for the Arts has recognized Meta's Burbank Senior Artists Colony as one of the finest examples of the incorporation of services, education and activities with architecture.

Meta works closely with city and community leaders, a variety of local and state housing agencies, and community-based nonprofits that are often in the best position to determine which solutions will work best for a community. Community outreach plays a critical role in developing design and programming, and Meta works closely with local stakeholders to ensure early identification and addressing of key issues.

The Project:

2400 Long Beach is the proposed new construction of 112 rental units. The development is comprised of 2 five-story residential buildings. The development will feature 80 one-bedroom units, 20 two-bedroom units, and 12 three-bedroom units. The units will be set aside for individuals and families earning between 30% and 60% of Area Median Income. Onsite amenities will include onsite property management and services office spaces, fitness room, community room, outdoor courtyard spaces, and a bicycle storage. Services will include Adult educational classes and after school programs for children. The financing of this project will result in the creation of affordable housing for 112 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 held a TEFRA hearing on April 7, 2022. Upon closing, the City is expected to receive approximately \$21,083 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:	\$ 37,000,000	\$ 36,786,000
Tranche B financing (TE Recycle Bonds):	\$ 7,500,000	\$ 0
Taxable Bond Proceeds	\$ 20,900,000	\$ 0
LIH Tax Credit Equity (Federal and State):	\$ 9,604,065	\$ 48,020,323
Deferred Operating Reserve:	\$ 760,613	\$ 0
Deferred Developer Fee and Costs:	<u>\$ 8,750,417</u>	<u>\$ 7,208,771</u>
Total Sources:	\$ 84,515,095	\$ 92,015,094

Uses of Funds:

Land Cost/ Acquisition:	\$ 11,087,617
Construction Costs:	\$ 51,700,331
Construction Hard Costs Contingency:	\$ 4,525,753
Soft Cost Contingency:	\$ 500,000
Architectural/Engineering:	\$ 2,172,720
Construction Interest & Perm Financing:	\$ 6,317,232
Legal Fees:	\$ 295,000
Reserves:	\$ 760,613
Other Costs:	\$ 4,577,880
Developer Fee:	<u>\$ 10,077,948</u>
Total Uses:	\$ 92,015,094

Terms of Transaction:

Amount:	\$70,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	May 2022

Public Benefit:

A total of 112 households will 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%
10% (20 Units) restricted to 30% or less of area median income households; and
10% (20 Units) restricted to 50% or less of area median income households; and
38% (72 Units) restricted to 60% or less of area median income households.
Unit Mix: 1-, 2- & 3-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	Pacific West Bank
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Kutak Rock, LLP
Borrower Counsel:	Bocarsly Emden Cowan Esmail & Arndt LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$70,000,000 for the 2400 Long Beach Apartments affordable housing facility located in the City of Long Beach, Los Angeles County, California.

*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.

**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.