



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.



PROPERTY ASSESSED CLEAN ENERGY (“PACE”) SUMMARY AND RECOMMENDATIONS

Action	Approve Resolutions and Related Items for the Collection of PACE Property Tax Assessments by Counties
Purpose:	Property Assessed Clean Energy (“PACE”)
Activity:	PACE Financing and Refinancing of Energy Efficiency, Water Efficiency, Renewable Energy Generation and Seismic Improvements
Meeting:	June 10, 2022

Background:

Property Assessed Clean Energy (“PACE”) programs help local economies and the environment by providing financing for energy and water efficient improvements and renewable energy systems. Communities with PACE programs have increased construction activity, created jobs, lowered utility bills, and reduced greenhouse gas emissions. Property owners repay the financing through their property tax bill over the useful life of the installed products.

Discussion:

PACE property tax assessments are added to the property owner’s tax bills for collection by the county where the property is located. The below listed counties require annual authorization by the Board of the taxing district to place the assessments on the tax roll. The CMFA Board is being asked to approve the following items for the respective counties.

1. County of Alameda Resolution
2. County of Riverside Resolution
3. County of Solano Resolution
4. County of Ventura Resolution

The above listed items have been reviewed by Jones Hall.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve the above listed county resolutions and related items.



2400 LONG BEACH APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant: Meta Housing Corporation

Action: Final Resolution

Amount: \$85,000,000

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

Activity: Affordable Housing

Meeting: June 10, 2022

Amendment:

The CMFA Board approved a Final Resolution on April 29, 2022 with a not to exceed amount of \$60,000,000 and an amended Resolution on May 27, 2022 with a not to exceed amount of \$70,000,000. Due to project cost increase the CMFA will be asked to approve an amending Final Resolution with a not to exceed amount of \$85,000,000.

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:	\$ 44,500,000	\$ 36,786,000
Tranche B financing (TE Recycle Bonds):	\$ 10,400,000	\$ 0
Taxable Bond Proceeds	\$ 13,650,000	\$ 0
LIH Tax Credit Equity (Federal and State):	\$ 13,954,064	\$ 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:	\$ 92,015,094	\$ 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:	\$85,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	June 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%
18% (20 Units) restricted to 30% or less of area median income households; and
18% (20 Units) restricted to 50% or less of area median income households; and
64% (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 \$85,000,000 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.



**AUDIT FIRM ENGAGEMENT
SUMMARY AND RECOMMENDATIONS**

**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES
CALIFORNIA FOUNDATION FOR PUBLIC FACILITIES**

Subject: Audit Firm Engagement

Meeting: June 10, 2021

Discussion:

The California Foundation for Stronger Communities (“CFSC”) and California Foundation for Public Facilities (“CFPF”) are required to have an audit of the general purpose financial statements conducted each year by an independent audit firm. Since 2013, the CFSC has utilized Macias Gini & O’Connell (“MGO”) for audit services. More recently, MGO began completing the CFPF tax returns and CFPF audit.

MGO has completed the last year of their three-year engagement. All three years were completed on time and for the agreed upon amount. Listed below are the fees for the most recent 2021 audit as well as MGO’s proposed fees for the next three years.

	Current Fees	Proposed Fees		
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
CFSC Audit	9,608	11,390	11,732	12,084
CFPF Audit	5,500	7,642	7,871	8,107
CFSC Tax Return	<u>4,322</u>	<u>4,522</u>	<u>4,658</u>	<u>4,797</u>
Total:	45,266	64,664	66,350	68,084

Recommendation:

The Executive Director recommends the firm of Macias Gini & O’Connell be retained to conduct the FY2022-2024 audits and tax return.