



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA

April 20, 2017 at 2:00 p.m.

**California State Association of Counties
 1100 K Street, 1st Floor, Sacramento, CA 95814**

Telephonic Locations:

709 Portwalk Place
 Redwood City, CA 94061

247 Electric Street
 Auburn, CA 95603

County of Yuba
 915 8th Street, Marysville, CA 95901

County of Kern
 1115 Truxtun Avenue, Bakersfield, CA 93301

3252 Southern Hills Drive
 Fairfield, CA 94534

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Dan Harrison, Chair <input type="checkbox"/> Larry Combs, Vice Chair <input type="checkbox"/> Kevin O'Rourke, Treasurer <input type="checkbox"/> Jordan Kaufman, Member	<input type="checkbox"/> Tim Snellings, Member <input type="checkbox"/> Dan Mierzwa, Member <input type="checkbox"/> Irwin Bornstein, Member <input type="checkbox"/> Brian Moura, Alt. Member
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2. Consideration of the Minutes of the March 16, 2017 Regular & Special Meetings.
3. Consideration of the Minutes of the April 6, 2017 Regular Meeting.
4. Consideration of the Consent Calendar.
5. Public Comment.

B. ITEMS FOR CONSIDERATION

6. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Beverly Community Hospital Association, City of Montebello, County of Los Angeles, up to \$21,000,000 in nonprofit health facility revenue bonds.

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- b. LIH Delta Pines Antioch, LP (Delta Pines Apartments), City of Antioch, County of Contra Costa; issue up to \$33,000,000 in multifamily housing revenue bonds.
 - c. Boyle Terrace Affordable Apartments, LP (Boyle Apartments & Jewell Terrace Apartments), City of Los Angeles, County of Los Angeles; issue up to \$9,100,000 in multifamily housing revenue bonds.
 - d. Campus Oaks Apartments 1, LLC (Campus Oaks Phase I Apartments), City of Roseville, County of Placer; issue up to \$42,000,000 in multifamily housing revenue bonds.
 - e. Lincoln Senior 2016, LP (Lincoln Senior Apartments), City of Lincoln, County of Placer; issue up to \$4,000,000 in multifamily housing revenue bonds.
7. Review Q3 2016-2017 Budget, Financial Progress and Bank Account Activity.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

- 8. Executive Director Update.
- 9. Staff Updates.
- 10. Adjourn.

NEXT MEETING: Thursday, May 4, 2017 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

- a. Inducement of Lake Merritt II Preservation Limited Partnership, (Lake Merritt Apartments), City of Oakland, County of Alameda; issue up to \$40 million in multi-family housing revenue bonds.

April 20, 2017



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**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

California State Association of Counties
1100 K Street, 1st Floor, Sacramento, California 95814

March 16, 2017

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:00 pm.

1. Roll Call.

Commission members present: Dan Harrison and Tim Snellings. Larry Combs, Jordan Kaufman, Dan Mierzwa, and Brian Moura participated by teleconference.

CSCDA Executive Director, Catherine Bando present.

Others present included: James Hamill, Bridge Strategic Partners; Alan Fernandes and Sendy Young CSAC Finance Corporation; Norman Coppinger and Perry Stottlemeyer, League of California Cities.

Jon Penkower, Bridge Strategic Partners; Laura Labanieh, CSAC Finance Corporation; Patricia Eichar, Orrick, Herrington & Sutcliffe; Trisha Ortiz, Richards, Watson & Gershon participated by teleconference.

2. Consideration of the minutes of the March 02, 2017 Regular Meeting.

Motion to approve by Kaufman; second by Mierzwa; unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

The Commission approved the following items on the Consent Calendar:

a. Consideration of Contract Amendment with Spruce Finance.

Motion to approve consent calendar by Combs; second by Snellings; unanimously approved by roll-call vote.

4. Election of Secretary.

The Commission appointed Tim Snellings to serve as Secretary.

Motion to approve by Combs; second by Mierzwa; unanimously approved by roll-call

vote.

5. Public Comment.

There was no public comment.

6. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:

- a. Princess Affordable Apartments, LP (Princess Apartments), City of Los Angeles, County of Los Angeles; issue up to \$8,500,000 in multifamily housing revenue bonds.

Bando indicated that the financing complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve by Mierzwa; second by Combs; unanimously approved by roll-call vote.

- b. BIR Met Lofts, LP (Metropolitan Lofts Apartments), City of Los Angeles, County of Los Angeles; issue up to \$27,000,000 in multifamily housing revenue bonds.

Bando indicated that the financing complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve by Combs; second by Kaufman; unanimously approved by roll-call vote.

7. Consideration of the following resolutions for the Statewide Community Infrastructure Program (SCIP 2017A):

- a. Amended and restated resolution of intention to finance capital improvements and/or the payment of development impact fees for Assessment District No. 17- 02 (County of Placer, California), including approval of proposed boundary map.

The public hearing for this item will be held on May 4, 2017.

Motion to approve by Combs; second by Snellings; unanimously approved by roll-call vote.

- b. Amended and restated resolution preliminarily approving the engineer's reports, setting the public hearing of protests and providing property owner ballots for Assessment District No. 17-02 (County of Placer, California).

Motion to approve by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

- c. Resolution abandoning proceedings for the proposed Assessment District No. 17-01 (City of Rialto, County of San Bernardino, California).

Motion to approve by Mierzwa; second by Kaufman; unanimously approved by roll-call vote.

- 8. Conduct proceedings with respect to SCIP (hearing to be held at 2:00 p.m. or shortly thereafter).

- a. Opened Assessment Districts (7) public hearing.

- 1. Sellers Point – Residential (City of Brentwood, Contra Costa County)
- 2. Los Cerros – Residential (City of Rocklin, Placer County)
- 3. Wildcat Whitney Ranch – Residential (City of Rocklin, Placer County)
- 4. Sheldon Crossroads – Residential (City of Elk Grove, Sacramento County)
- 5. Vista Del Sur – Residential (City of San Diego, San Diego County)
- 6. Marshall Crossing – Residential (City of West Sacramento, Yolo County)
- 7. Promenade – Residential (City of West Sacramento, Yolo County)

- b. Closed Assessment Districts public hearing.

- c. Opened Assessment Districts ballots and announce results.

- 9. Consideration of the following resolutions with respect to SCIP:

- a. Resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments.

Motion to approve by Moura; second by Combs; unanimously approved by roll-call vote.

- b. Resolution providing for the issuance of seven separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.

Motion to approve by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

- c. Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds, Series 2017A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.

Motion to approve by Combs; second by Mierzwa; unanimously approved by roll-call vote.

10. Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2016.

The Commission received a report of the Audited Financial Statements for Fiscal Year Ending June 30, 2016.

Motion to approve by Snellings; second by Combs; unanimously approved by roll-call vote.

11. Consideration of First Amendment to Professional Services Contract with Urban Futures Bond Administration.

The Board approved the First Amendment of Professional Services Contract with the Urban Futures Bond Administration, which modifies compensation. Fees will be revised to \$300 per project rather than \$23 per restricted unit to be monitored within each project. Annual monitoring is no longer required for each unit and the flat fee reflects adequate compensation for the new reporting requirements. Additionally, the revised contract adjusts the scope of work to reflect the new CDLAC requirement, which includes the submission of an annual certification of compliance for each project.

Motion to approve by Mierzwa; second by Kaufman; unanimously approved by roll-call vote.

12. Consideration of Requests for Proposals for Statewide Communities Infrastructure Program (SCIP) Assessment Engineer Services.

Motion to approve by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

13. Consideration of Requests for Proposals for CSCDA Auditor Services.

The Commission requested that language be added to the RFP clarifying that CSCDA has the right to reject all proposals.

Motion to approve with additional language by Mierzwa; second by Snellings; unanimously approved by roll-call vote.

14. Tri-Valley Learning Corporation Bankruptcy Update (Informational Item).

This item was pulled from the agenda and will be discussed at a future meeting.

15. Executive Director update.

Cathy Bando reported that she had conference calls with CSAC Finance Corporation, CSAC, and the League of California Cities regarding CSCDA benefit messaging to their memberships.

The PACE Ad Hoc Committee is still reviewing different proposals for future consideration by the full Commission.

16. Staff updates.

There were no staff updates.

17. Chair Dan Harrison adjourned the meeting at 2:48 pm.

Submitted by: Sendy Young, CSAC Finance Corporation staff

*The next regular meeting of the commission is scheduled for
Thursday, April 6, at 2:00 pm
in the League of California Cities office at 1400 K Street, 3rd Floor, Sacramento, California.*

**SPECIAL MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

California State Association of Counties
1100 K Street, 1st Floor, Sacramento, California 95814

March 16, 2017

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:49 pm.

1. Roll Call.

Commission members present: Dan Harrison and Tim Snellings. Larry Combs, Jordan Kaufman, Dan Mierzwa, and Brian Moura participated by teleconference.

CSCDA Executive Director, Catherine Bando present.

Others present included: James Hamill, Bridge Strategic Partners; Alan Fernandes and Sendy Young CSAC Finance Corporation; Norman Coppinger and Perry Stottlemeyer, League of California Cities

Jon Penkower, Bridge Strategic Partners; Laura Labanieh, CSAC Finance Corporation; Patricia Eichar, Orrick, Herrington & Sutcliffe; Trisha Ortiz, Richards, Watson & Gershon participated by teleconference.

2. Consideration of the Consent Calendar.

- a. Inducement of TCAS Global Investments LLC (Ivy Hill Apartments), City of Walnut Creek, County of Contra Costal issue up to \$45 million in multi-family housing revenue bonds.

Motion to approve consent calendar by Combs; second by Mierzwa; unanimously approved by roll-call vote.

3. Public Comment.

There was no public comment.

4. Chair Dan Harrison adjourned the meeting at 2:52 pm.

Submitted by: Sendy Young, CSAC Finance Corporation staff

*The next regular meeting of the commission is scheduled for
Thursday, April 6, at 2:00 pm
in the League of California Cities office at 1400 K Street, 3rd Floor, Sacramento, California.*

**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

League of California Cities
1400 K Street, 3rd Floor, Sacramento, California 95814

April 6, 2017

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:00 pm.

1. Roll Call.

Commission members present: Dan Harrison , Larry Combs and Tim Snellings. Kevin O'Rourke, Jordan Kaufman, Dan Mierzwa, Irwin Bornstein, and Alternate Commissioner Brian Moura participated by teleconference. Since all city Commissioners were present, Brian Moura did not participate as a voting member.

CSCDA Executive Director, Catherine Bando participated by teleconference.

Others present included: James Hamill, Bridge Strategic Partners; Laura Labanieh and Sendy Young, CSAC Finance Corporation; Norman Coppinger and Carolyn Coleman, League of California Cities.

Chris Lynch, Jones Hall and Lolly Enriquez, Richards, Watson & Gershon participated by teleconference.

2. Consideration of the minutes of the March 16, 2017 Regular Meeting.

This item was postponed to the April 20, 2017 meeting.

3. Consideration of the Consent Calendar.

The Commission approved the following items on the Consent Calendar:

- a. Inducement of Self Help Enterprise, (Dinuba Village Apartments), City of Dinuba, County of Tulare; issue up to \$10 million in multi-family housing revenue bonds.
- b. Approval of the City of Loma Linda as a Program Participant in CSCDA.

Motion to approve consent calendar by Combs; second by Snellings; unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:

- a. SLTSG Apartments Investors, LP (Sierra Garden Apartments), City of South Lake Tahoe, County of El Dorado; issue up to \$9,000,000 in multifamily housing revenue bonds.

Executive Director Bando explained that SLTSG is a new issuer to CSCDA. The TEFRA hearing was held in the City of South Lake Tahoe on October 18, 2016. The bonds will be non-rated.

Bando indicated that this project complies with CSCDA's general and issuance policies, and recommends approval of the project.

Motion to approve by Kaufman; second by O'Rourke; unanimously approved by roll-call vote.

6. Consideration of a resolution amending the indenture to four series of commercial PACE financings under the California First program.

The Commission approved the amending resolution which was a clean-up item of specific language in the indenture. This revision was reviewed and approved by Jones Hall

Motion to approve by Snellings; second by Combs; unanimously approved by roll-call vote.

7. Consideration of the application of the Sacramento County Teeter Plan to the Statewide Community Infrastructure Program (SCIP).

The Commission approved the application of the Sacramento County Teeter Plan to participate in the SCIP program. This would only apply to the unincorporated areas in Sacramento County.

Motion to approve by Combs; second by Snellings; unanimously approved by roll-call vote.

8. Executive Director Update.

Cathy Bando announced that she would be presenting an update to the CSAC Finance Corporation Annual Meeting in April, along with James and Jon. CSCDA is doing very well with lots of new PACE and affordable housing business.

Tim Snellings inquired as to the lag in hospitals and schools business. James Hamill opined that this was due to a holding pattern with healthcare financing as rates are creeping up and charter schools no longer being as credit worthy.

9. Staff Updates.

James Hamill informed the Commission that there was another Wall Street Journal article out regarding the integrity of PACE financings. There is both state and federal legislation pending that could affect the PACE programs.

Jordan Kaufman informed the Commission that Barclays would be meeting with him in Kern County on April 19th to discuss if the GO Savers Program was viable in Kern County.

10. Adjourn.

Chair Dan Harrison adjourned the meeting at 2:23pm.

Submitted by: Sendy Young, CSAC Finance Corporation staff

*The next regular meeting of the commission is scheduled for
Thursday, April 20 at 2:00 pm
in the CSAC office at 1100 K Street, 1st Floor, Sacramento, California.*

RESOLUTION NO. 17H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF VARIOUS MULTIFAMILY RENTAL HOUSING PROJECTS AND RELATED ACTIONS

WHEREAS, the Authority is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 20, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on April 20, 2017.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Lake Merritt Apartments	City of Oakland, County of Alameda	55	Acquisition and Rehabilitation	Lake Merritt II Preservation Limited Partnership	\$40,000,000



Agenda Item No. 6a

Agenda Report

DATE: April 20, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Beverly Hospital

PURPOSE: Authorize the Issuance of Bonds to Finance the Acquisition, Construction, Improvement, Renovation and/or Equipping of Health Facilities located in the City of Montebello, County of Los Angeles

AMOUNT: Not to Exceed \$21,000,000

EXECUTIVE SUMMARY:

Beverly Hospital, a 501c3 nonprofit organization (“Beverly”), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$21,000,000 (the “Bonds”) for the acquisition, construction, improvement and equipping of health facilities located in the City of Montebello (the “Project”). The Project includes renovations to its maternity health department and post-partum rooms, expansion of the emergency room department, installation of a new central plant chiller, and overall facility interior/exterior upgrades.

PROJECT ANALYSIS:

About Beverly Hospital:

Beverly Hospital is a not-for-profit, leading and independent 224-bed acute care facility that is proud of the medical services and comfort provided to patients. From emergency room and hospitalization to outpatient procedures, Beverly offers a full range of services with the latest technology on diagnostic and treatment options. A medical staff of over 350 physicians, representing a wide spectrum of specialties, is supported by experienced and dedicated employees and volunteers, who strive to deliver high-tech, high-touch services, preventive education and patient care.

Public Agency Approval:

TEFRA Hearing: April 12, 2017 – City of Montebello – unanimous approval

Economic Development:

- Beverly employs more than 350 physicians and hundreds of medical staff throughout its City of Montebello facilities.
- Beverly's role in the community has generated the establishment of medical clinics, pharmacies, rehabilitation centers and other medical related businesses to assist those in need of continued medical care. In addition, many Beverly employees live, eat and shop within the community and support the local economy.

Public Benefit:

- Emergency care – Beverly provides 24-hour emergency care to all individuals, regardless of their ability to pay.
- In 2015, Beverly contributed more than \$8 million in total community benefits, including quantifiable benefits for the poor and broader community.
- Medi-Cal, Medicaid and Medicare acceptance – Beverly provides healthcare and helps to subsidize the cost of service for patients that participate in government sponsored programs such as Medi-Cal, Medicaid and Medicare. In 2015, Beverly subsidized more than \$5.2 million for the unpaid cost of Medi-Cal.
- Non-reimbursed community benefit costs – In 2015, Beverly provided more than \$265,000 in traditional charity care charges.
- Beverly provides a wide range of free services including childhood immunizations, flu shots, health lectures, community health fairs, nutrition classes, diabetes screenings and exercise classes for seniors.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 20,000,000
Bond Premium:	<u>\$ 883,971</u>
Total Sources:	\$ 20,883,971

Uses of Funds:

Project Fund:	\$ 20,483,971
Costs of Issuance:	<u>\$ 400,000</u>
Total Uses:	\$ 20,883,971

Finance Partners:

Bond Counsel: Squire, Patton, Boggs, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Underwriter: Wells Fargo Securities, San Francisco

Finance Terms:

Rating: BBB-
Term: 30 years at a fixed interest rate
Structure: Public offering
Estimated Closing: May 31, 2017

CSCDA Policy Compliance:

The financing for Beverly complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

RESOLUTION NO. 17__-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND/OR EQUIPPING OF HEALTH FACILITIES OWNED AND/OR OPERATED BY BEVERLY COMMUNITY HOSPITAL ASSOCIATION AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), a number of California cities, counties and special districts (each, a "Program Participant") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Statewide Communities Development Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development;

WHEREAS, the Authority is authorized by a resolution adopted March 21, 1991, to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the "Eligible Organizations");

WHEREAS, pursuant to the provisions of the Act, the cities, counties and special districts which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal;

WHEREAS, the City of Montebello, California (the "City") is a Program Participant, and the City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with the Eligible Organizations and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, Beverly Community Hospital Association, a California nonprofit public benefit corporation (the "Corporation"), wishes to finance the acquisition, construction, improvement, renovation and/or equipping of health facilities (the "Facilities") owned and/or operated by the Corporation, which Facilities are located in the City (the "Project");

WHEREAS, the Corporation is requesting the assistance of the Authority in financing the Project;

WHEREAS, pursuant to a Bond Indenture (the "Bond Indenture"), between the Authority and U.S. Bank National Association (the "Bond Trustee"), the Authority will issue one or more series of California Statewide Communities Development Authority Revenue Bonds (Beverly Community Hospital Association), Series 2017 (the "Series 2017 Bonds"), for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Loan Agreement (the "Loan Agreement"), between the Authority and the Corporation, the Authority will loan the proceeds of the Series 2017 Bonds to the Corporation for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Purchase Contract, to be dated the date of sale of the Series 2017 Bonds (the "Bond Purchase Agreement"), executed by Wells Fargo Bank, National Association, as underwriter of the Series 2017 Bonds (the "Underwriter"), accepted and agreed to by the Authority and approved and accepted by the Corporation as Obligated Group Representative (as defined in the Bond Purchase Agreement), the Series 2017 Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Bond Indenture to finance the Project, to fund, if applicable, a debt service reserve account under the Bond Indenture, and to pay costs incurred in connection with the issuance of the Series 2017 Bonds;

WHEREAS, there have been made available to the Commissioners of the Authority the following documents and agreements:

- (1) A proposed form of the Bond Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Bond Purchase Agreement; and
- (4) A proposed form of an official statement (the "Official Statement") to be used by the Underwriter in connection with the offering and sale of the Series 2017 Bonds;

NOW THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. Pursuant to the Act and the Bond Indenture, the Authority is hereby authorized to issue its revenue bonds, in one or more series from time to time, designated as the "California Statewide Communities Development Authority Revenue Bonds (Beverly

Community Hospital Association), Series 2017” in an aggregate principal amount not to exceed twenty-one million dollars (\$21,000,000), with such other name or names of the Bonds or series thereof as designated in the Bond Indenture pursuant to which the Bonds will be issued. The Series 2017 Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indenture. The Series 2017 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017, or any other resolution of the Authority (each, an “Authorized Signatory”) and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Bond Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Indenture in substantially said form, with such changes and insertions therein, as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Bond Trustee, the dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, whether a particular series of Series 2017 Bonds will be secured by a debt service reserve fund, and other terms of the Series 2017 Bonds shall be as provided in the Bond Indenture, as finally executed.

Section 3. The proposed form of Loan Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein, as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the Bond Purchase Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein, as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed preliminary form of the Official Statement, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Official Statement, in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds.

Section 6. The Series 2017 Bonds, when executed as provided in Section 1, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Series 2017 Bonds by executing the Bond Trustee’s Certificate of Authentication and Registration appearing thereon, and to deliver the Series 2017 Bonds, when duly executed and authenticated, to the Underwriter in accordance with written

instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Bond Trustee. Such instructions shall provide for the delivery of the Series 2017 Bonds to the Underwriter, upon payment of the purchase price thereof.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Series 2017 Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Series 2017 Bonds are hereby ratified, confirmed and approved.

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing for the Project.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 20th day of April, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 20, 2017.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 6b

Agenda Report

DATE: April 20, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Delta Pines Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Antioch, County of Contra Costa

AMOUNT: Not to Exceed \$33,000,000

EXECUTIVE SUMMARY:

Delta Pines Apartments (the “Project”) is an acquisition and rehabilitation of a 186-unit rental affordable housing project located in the City of Antioch. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 186-unit affordable rental housing facility located at 2301 Sycamore Drive in the City of Antioch.
- Consists of 112 one-bedroom units, 60 two-bedroom units, 13 three-bedroom units and 1 manager unit.

PROJECT ANALYSIS:

Background on Applicant:

Levy Affiliated is a California-based real estate company that acquires and manages assets throughout the United States with an emphasis on the California and the Southwest. Levy Affiliated was founded in 1988 by Shaoul J. Levy. Over the last 15 years, Levy Affiliated has sourced, negotiated and executed 90 transactions totaling nearly \$900 million across various property types and financing structures. The Company’s current portfolio of 50 properties has an estimated market value of over \$700 million, containing a mix of retail centers, office buildings and apartment complexes, ranging from Hawaii to North Carolina, but largely concentrated in Southern California. This is Levy’s 5th financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: October 11, 2016 – City of Antioch – unanimous approval

CDLAC Approval: December 14, 2016

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 87% (164 units) restricted to 60% or less of area median income households.
 - 13% (21 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 31,021,755
Seller's Note:	\$ 3,500,000
Accrued Interest:	\$ 520,097
Tax Credits:	<u>\$ 2,285,200</u>
Total Sources:	\$ 37,327,052

Uses of Funds:

Acquisition:	\$ 26,730,000
Construction Costs:	\$ 8,764,023
Misc. Fees:	\$ 304,760
Interest:	\$ 520,098
Cost of Issuance:	\$ 662,196
Soft Costs:	<u>\$ 345,975</u>
Total Uses:	\$ 37,327,052

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Private Placement Purchaser: J.P. Morgan Chase Bank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Closing: May 31, 2017

CSCDA Policy Compliance:

The financing for Delta Pines Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A

RESOLUTION NO. 17H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$33,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS DELTA PINES APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the "Agreement"), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "Housing Law");

WHEREAS, LIH Delta Pines Antioch, LP, a California limited partnership, and entities related thereto (collectively, the "Borrower") has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Delta Pines Apartments) 2017 Series L (the "Note") to assist in the financing of the acquisition, rehabilitation and development of a 186-unit multifamily housing rental development located in the City of Antioch, California, and known or to be known as Delta Pines Apartments (the "Project");

WHEREAS, on December 14, 2016, the Authority received an allocation in the amount of \$31,671,960 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Antioch (the "City") is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$33,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to JPMorgan Chase Bank, N.A., as initial funding lender (the "Funding Lender") and initial holder of the Note;

WHEREAS, the Federal Home Loan Mortgage Company, a shareholder-owned government-sponsored enterprise ("Freddie Mac") has entered into an agreement with the Funding Lender whereby Freddie Mac has committed to facilitate the permanent financing of the Project by purchasing the Funding Loan as evidenced by the Note from Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the "Freddie Mac Seller/Servicer"), subject to such Freddie Mac Seller/Servicer's purchase of the Funding Loan as evidenced by the Note from the Funding Lender upon the date of completion of the rehabilitation of the Project and subject to satisfaction of certain conditions as described in the Funding Loan Agreement and that certain Construction Phase Financing Agreement, among the Funding Lender, Freddie Mac and the Freddie Mac Seller/Servicer and acknowledged and agreed to by the Borrower.

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the "Commission") the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) A proposed form of Funding Loan Agreement (the "Funding Loan Agreement") to be entered into among the Authority, Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent") and the Funding Lender;

(2) A proposed form of Project Loan Agreement (the "Project Loan Agreement") to be entered into among the Authority, the Fiscal Agent and the Borrower;

(3) A proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") with respect to the Project to be entered into by the Authority and the Borrower; and

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Delta Pines Apartments) 2017 Series L" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$33,000,000; provided that the aggregate principal amount of any tax-exempt Note executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and

prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Project Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Project Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. The Note, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Note by executing the certificate of authentication of the Fiscal Agent appearing thereon, and to deliver the Note, when duly executed and authenticated, to or at the direction of the Funding Lender, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Fiscal Agent. Such instructions shall provide for the delivery of the Note to or at the direction of the Funding Lender in accordance with the Funding Loan Agreement upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things

and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note, termination of regulatory agreement and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 20, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 20, 2017.

By _____
Authorized Signatory



Agenda Item No. 6c

Agenda Report

DATE: April 20, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Boyle & Jewell Terrace Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Los Angeles, County of Los Angeles

AMOUNT: Not to Exceed \$9,100,000

EXECUTIVE SUMMARY:

Boyle & Jewell Terrace Apartments (the “Project”) is an acquisition and rehabilitation of a 67-unit rental affordable housing project located in the City of Los Angeles. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 67-unit scattered site affordable rental housing facility located at 427 S. Boyle Avenue, 1420 W. 27th Street, 1460 W. 27th Street and 2950 S. Van Buren Place in the City of Los Angeles.
- Consists of 12 studios, 27 one-bedroom units, 27 two-bedroom units and 1 manager unit.

PROJECT ANALYSIS:

Background on Applicant:

Intercontinental Affordable Housing, Inc. (“IAHI”) is a California 501(c)(3) nonprofit dedicated to developing, constructing, owning and operating affordable housing projects to assist low-income family households. IAHI works with existing owners, investors and agencies to construct, acquire and rehabilitate “at-risk” projects. These “at-risk” projects currently house low-income families, which if the projects are converted to market rate projects, will displace thousands of tenants. IAHI has been successful in developing low-income housing projects by using a combination of tax-exempt bonds and tax credits. IAHI is currently working with other non-profits in developing social programs to its tenants as well as getting involved in outreach programs. The resident programs will include professional development education assistance, ESL classes, Internet and

Computer classes, job counseling and placement assistance to promote sustainable communities. This is IAHI's 4th financing with CSCDA this year.

Public Agency Approval:

TEFRA Hearing: August 23, 2016 – City of Los Angeles – unanimous approval

CDLAC Approval: September 21, 2016

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 80% (53 units) restricted to 60% or less of area median income households.
 - 20% (13 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 9,100,000
Seller's Note:	\$ 1,800,000
Accrued Interest:	\$ 256,896
Deferred Developer Fee:	\$ 1,494,911
Tax Credits:	<u>\$ 6,140,688</u>
Total Sources:	\$ 18,792,495

Uses of Funds:

Acquisition:	\$ 9,480,000
Construction Costs:	\$ 5,404,207
Solar Panels:	\$ 500,000
Accrued Interest:	\$ 256,896
Developer Fee:	\$ 2,044,097
Reserves:	\$ 457,180
Cost of Issuance:	\$ 341,445
Loan Fees/Soft Costs:	<u>\$ 308,670</u>
Total Uses:	\$ 18,792,495

Finance Partners:

Bond Counsel: Kutak Rock, LLP, Omaha

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Private Placement Purchaser: Jones, Lang LaSalle Multifamily

Finance Terms:

Rating: Unrated
Term: 40 years at a fixed interest rate
Structure: Private Placement
Closing: May 31, 2017

CSCDA Policy Compliance:

The financing for Boyle & Jewell Terrace Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A

RESOLUTION NO. 17 _____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,100,000 FOR THE FINANCING OF A SCATTERED SITE MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS BOYLE TERRACE APARTMENTS, AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS AND OTHER MATTERS RELATED THERETO

WHEREAS, the California Statewide Communities Development Authority (the “**Authority**”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “**JPA Law**”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “**Agreement**”), to issue revenue notes or bonds for the purpose of financing, among other things, the acquisition and rehabilitation of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “**Housing Law**”);

WHEREAS, Boyle Terrace Affordable Apartments, LP, a California limited partnership (the “**Borrower**”), has requested that the Authority issue and sell revenue notes to assist in the financing of the acquisition and rehabilitation of a 67-unit scattered site multifamily housing development located at: (1) 427 South Boyle Avenue, (2) 1420 West 27th Street, (3) 1460 West 27th Street, and (4) 2950 Van Buren Place, all in the City of Los Angeles, California (the “**City**”), to be known as Boyle Terrace Apartments (the “**Project**”);

WHEREAS, during a meeting held on September 21, 2016, the California Debt Limit Allocation Committee adopted its Resolution No. 16-135 transferring an aggregate of \$9,100,000 (the “**Allocation Amount**”) of the State of California ceiling of carry forward qualified private activity bond authority for 2014 to the Authority for use in connection with the financing of the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority, and on August 23, 2016, following the conduct by it of a public hearing on the financing of the Project, the City Council of the City adopted a resolution approving the issuance by the Authority of tax-exempt obligations for the Project for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the Authority is willing to issue not to exceed \$9,100,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Boyle Terrace Apartments) 2017 Series O in one or more series (the “**Note**”), and to loan the proceeds of the Note to the Borrower to assist in

providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and assist in providing housing for low income persons;

WHEREAS, there have been prepared and made available to the Commissioners of the Authority the following documents required for the issuance of the Note, and such documents are now in substantially final form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the “**Funding Loan Agreement**”), to be entered into by the Authority, Wilmington Trust, National Association as fiscal agent (the “**Fiscal Agent**”) and Jones Lang LaSalle Multifamily, LLC, as the initial funding lender (the “**Funding Lender**”), providing for the issuance of the Note;

(2) Project Loan Agreement (the “**Project Loan Agreement**”), to be entered into by the Authority, the Fiscal Agent and the Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “**Regulatory Agreement**”), to be entered into by the Borrower and the Authority.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission of the Authority (the “**Commission**”), as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Boyle Terrace Apartments) 2017 Series O” with appropriate modifications and designations as necessary, in an aggregate principal amount not to exceed the Allocation Amount. The Note shall be issued in the form or forms set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the manual signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Note shall be issued and secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as it may be modified as described in Section 3 below. Payment of the principal of, redemption premium, if any, and interest on, the Note shall be made solely from the sources specifically pledged therefor in the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority (except to the limited extent set forth in the Funding Loan Agreement), or a debt or liability of any Program Participant or member of the Authority.

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any member of the Commission of the Authority (each, a “**Member**”), or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an “**Authorized Signatory**”), acting alone, is authorized to execute by manual signature and to deliver the Funding Loan Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Funding Loan Agreement. The date, maturity date or dates (which shall not extend beyond March 1, 2057), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, purchase price, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Note shall be as provided in the Funding Loan Agreement as finally delivered by the Authority.

Section 4. The Project Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Project Loan Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Project Loan Agreement.

Section 5. The Authority is hereby authorized to sell the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 6. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Regulatory Agreement.

Section 7. The Note, in the form set forth in the Funding Loan Agreement shall, when executed, be delivered to the Funding Lender in exchange for payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not

limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust securing the repayment of the loan under the Project Loan Agreement and such other documents as described in the Funding Loan Agreement, the Regulatory Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any redemption of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents herein approved.

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Commission of the Authority at a duly called regular meeting of the Commission of the Authority held in accordance with law on _____, 2017.

By

Authorized Signatory



Agenda Item No. 6d

Agenda Report

DATE: April 20, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Campus Oaks Phase I Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Roseville, County of Placer

AMOUNT: Not to Exceed \$42,000,000

EXECUTIVE SUMMARY:

Campus Oaks Phase I Apartments (the “Project”) is a new 185-unit mixed income rental housing project located in the City of Roseville (the “City”). 22% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- New construction of 185-unit mixed income rental housing project located at the southwest corner of Crimson Ridge Drive and HP Way in the City of Roseville.
- Twelve three-story wood frame residential buildings on 8.4 acre site.
- Project includes swimming pools, fitness center, kitchen and clubhouse.
- Restricted apartments are comprised of 29 one-bedroom and 13 two-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Scott Canel & Associates (Canel), based in Highland Park, Illinois, specializes in a broad range of real estate development, construction and management. Canel has developed commercial retail centers, nursing facilities, single family homes and multi-family housing projects throughout the United States. Canel has significant experience in affordable housing projects, having constructed and/or rehabilitated more than 1,500 restricted units across nine projects throughout the country. The Project is Canel’s first financing with CSCDA. Canel anticipates closing Campus Oaks Phase II Apartments with CSCDA later this year.

Public Agency Approval:

TEFRA Hearing: September 7, 2016 – City of Roseville – unanimous approval

CDLAC Approval: October 16, 2016

Public Benefits:

- 22% of the units will be rent restricted for 55 years.
 - All restricted units (42 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 33,750,000
Developer Equity:	\$ 7,805,616
CSCDA SCIP Loan:	\$ 3,325,072
Tax Credits:	\$ 2,007,000
Total Sources:	\$ 46,887,688

Uses of Funds:

Land:	\$ 4,462,121
Construction Costs:	\$ 28,952,745
Indirect Construction Costs:	\$ 2,158,109
Architecture & Engineering:	\$ 1,093,500
Impact Fees/City Fees	\$ 6,450,214
Loan Fees:	\$ 673,750
Marketing/Leasing:	\$ 300,000
Developer Fee:	\$ 100,000
Costs of Issuance:	\$ 800,000
Capitalized Interest:	\$ 1,261,046
Other/Misc.:	\$ 636,203
Soft Cost Contingency:	\$ 1,447,637
Total Uses:	\$ 46,887,688

Finance Partners:

Bond Counsel: Kutak Rock, LLP, Omaha

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Private Placement Purchasers: Sterling Bank & Southern Bank

Finance Terms:

Rating: Unrated
Term: 35 years
Structure: Private Placement
Closing: May 15, 2017

CSCDA Policy Compliance:

The financing for the Project complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

RESOLUTION NO. 17-_____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$42,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS CAMPUS OAKS APARTMENTS, PHASE I AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS AND OTHER MATTERS RELATED THERETO

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue notes or bonds for the purpose of financing, among other things, the acquisition and construction of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Campus Oaks Apartments 1, LP, an Illinois limited partnership (the “Borrower”), has requested that the Authority issue and sell revenue notes to assist in the financing of the acquisition and construction of a 185-unit multifamily housing development located at the Southwest corner of Crimson Ridge Drive and HP Way in the City of Roseville, California (the “City”), to be known as Campus Oaks Apartments Phase I (the “Project”);

WHEREAS, during a meeting held on July 20, 2016, the California Debt Limit Allocation Committee adopted its Resolution No. 16-83 transferring an aggregate of \$37,500,000 (the “Initial Allocation Amount”) of the State of California qualified private activity bond authority from 2013 to the Authority for use in connection with the financing of the Project;

WHEREAS, during a meeting held on October 19, 2016, the California Debt Limit Allocation Committee adopted its Resolution No. 16-147 transferring an aggregate of \$5,822,332 (together with the Initial Allocation Amount, the “Allocation Amount”) of the State of California qualified private activity bond authority for 2014 to the Authority for use in connection with the financing of the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority, and on September 7, 2016, following the conduct by it of a public hearing on the financing of the Project, the City Council of the City adopted Resolution No. 16-

391 approving the issuance by the Authority of tax-exempt obligations for the Project for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the Authority is willing to issue not to exceed \$42,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Campus Oaks Apartments Phase I) 2017 Series FF in one or more series (the “Note”), and to loan the proceeds of the Note to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and assist in providing housing for low income persons;

WHEREAS, there have been prepared and made available to the Commissioners of the Authority the following documents required for the issuance of the Note, and such documents are now in substantially final form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the “Funding Loan Agreement”), to be entered into by the Authority, UMB Bank as fiscal agent (the “Fiscal Agent”) and Sterling Bank and Southern Bank, as the initial funding lender (collectively, the “Funding Lender”), providing for the issuance of the Note;

(2) Project Loan Agreement (the “Project Loan Agreement”), to be entered into by the Authority, the Fiscal Agent and the Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into by the Borrower and the Authority.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission of the Authority (the “Commission”), as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Campus Oaks Apartments Phase I) 2017 Series FF” with appropriate modifications and designations as necessary, in an aggregate principal amount not to exceed the Allocation Amount. The Note shall be issued in the form or forms set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual or facsimile signature of any Authorized Signatory (as defined below), and attested by the manual or facsimile signature of the Secretary of the Authority, or the manual or facsimile signature of any Authorized Signatory. The Note shall be issued and secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as it may be modified as described in Section 3 below. Payment of the principal of, redemption premium, if any, and

interest on, the Note shall be made solely from the sources specifically pledged therefor in the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority (except to the limited extent set forth in the Funding Loan Agreement), or a debt or liability of any Program Participant or member of the Authority.

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any member of the Commission of the Authority (each, a "Member"), or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and to deliver the Funding Loan Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Funding Loan Agreement. The date, maturity date or dates (which shall not extend beyond May 1, 2057), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, purchase price form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Note shall be as provided in the Funding Loan Agreement as finally delivered by the Authority.

Section 4. The Project Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Project Loan Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Project Loan Agreement.

Section 5. The Authority is hereby authorized to sell the Note to the Funding Lender initially in the form of two notes, consisting of a \$20,000,000 note delivered by the Authority to Sterling Bank (the "Sterling Bank Governmental Note") and a \$13,750,000 note delivered by the Authority to Southern Bank (the "Southern Bank Governmental Note") pursuant to the terms and conditions of the Funding Loan Agreement.

Section 6. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Regulatory Agreement.

Section 7. The Note, in the form set forth in the Funding Loan Agreement shall, when executed, be delivered to the Funding Lender in exchange for payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust securing the repayment of the loan under the Project Loan Agreement and such other documents as described in the Funding Loan Agreement, the Regulatory Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any redemption of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents herein approved.

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 20, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Commission of the Authority at a duly called regular meeting of the Commission of the Authority held in accordance with law on April 20, 2017.

By

Authorized Signatory



Agenda Item No. 6e

Agenda Report

DATE: April 20, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Lincoln Senior Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Lincoln, County of Placer

AMOUNT: Not to Exceed \$4,000,000

EXECUTIVE SUMMARY:

Lincoln Senior Apartments (the “Project”) is an acquisition and rehabilitation of a 70-unit rental affordable housing project located in the City of Lincoln. 100% of the units will remain rent restricted for low-income senior tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 70-unit affordable rental housing facility located at 1655 Third Street in the City of Lincoln.
- Consists of 62 one-bedroom units, 7 two-bedroom units and 1 manager unit.

PROJECT ANALYSIS:

Background on Applicant:

Cascade Housing Association (Cascade) was formed in 1993 as a public benefit corporation with a mission to provide affordable housing for income qualified residents in the western United States. Shortly after its organization, Cascade was granted charitable non-profit status by the Internal Revenue Service. The Board of Directors of the organization oversees the non-profit in its mission to provide excellent rental housing to deserving income qualified persons across a wide region. Cascade works closely with lenders, corporate investors, state, city and other local government agencies to create housing. Cascade contracts with professional property management companies, to offer on-site management and maintenance at every apartment community. In addition to housing, resident services and amenities are provided at Cascade’s properties, tailored to meet the needs of the community. Examples of this include outdoor space ranging from playgrounds and basketball courts, to barbecue grills and swimming pools at select locations. Interior spaces are

complemented with community gathering rooms, and, at certain locations, Cascade works with local Head Start operators and provide separate buildings for those programs. This is Cascade's 1st financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: October 25, 2016 – City of Lincoln – unanimous approval

CDLAC Approval: December 14, 2016

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 10% (7 units) restricted to 60% or less of area median income senior households.
 - 90% (62 units) restricted to 50% or less of area median income senior households.
- The Project is in close proximity to recreational facilities, parks and grocery stores.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 2,973,824
USDA 515 Loan:	\$ 1,713,987
Operating Reserves:	\$ 817,877
Deferred Developer Fee:	\$ 614,850
Tax Credits:	<u>\$ 181,770</u>
Total Sources:	\$ 6,302,308

Uses of Funds:

Acquisition:	\$ 1,713,987
Construction Costs:	\$ 2,205,690
Relocation:	\$ 330,000
Architecture & Engineering:	\$ 53,637
Interest/Loan Fees:	\$ 200,220
Contingency:	\$ 190,000
Developer Fee:	\$ 614,850
Reserves:	\$ 528,877
Cost of Issuance:	\$ 284,046
Soft Costs:	<u>\$ 181,001</u>
Total Uses:	\$ 6,302,308

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Private Placement Purchaser: Rabobank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Closing: May 18, 2017

CSCDA Policy Compliance:

The financing for Lincoln Senior Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A

RESOLUTION NO. 17H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS LINCOLN SENIOR APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition, construction/rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Lincoln Senior 2016 Limited Partnership, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 70-unit multifamily rental housing development for seniors to be generally known as Lincoln Senior Apartments, located in the City of Lincoln, California (the “Project”);

WHEREAS, on December 14, 2016 the Authority received an allocation in the amount of \$2,973,824 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the City of Lincoln is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed \$4,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Lincoln Senior Apartments) 2017 Series N (the “Bonds”), provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with Rabobank, N.A. (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) a Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) a Master Pledge and Assignment (the “Pledge Agreement”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants, to be entered into between the Authority and the Borrower with respect to the Project (the “Regulatory Agreement”).

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Lincoln Senior Apartments) 2017 Series N,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$4,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date

or dates (which shall not extend beyond May 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

Section 4. The Agency Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Agency Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

Section 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, a termination of regulatory agreement, an allonge or assignment of any note and such other documents as described in the Pledge Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate,

without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Pledge Agreement and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 20, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 20, 2017.

By _____

Authorized Signatory



Agenda Item No. 7

Agenda Report

DATE: April 20, 2017
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Review Q3 2016-2017 Budget, Financial Progress and Bank Account Activity

This is an information item and includes two financial reports for CSCDA that provide information for 2017 Q3 bank account activity and budget to actual figures through March 31, 2017.

BANK ACCOUNT ACTIVITY:

- 1. Professional Services Account** - The June 30, 2016 balance in the Professional Services Account was \$73,343. Deposits equal to \$406,802 were made with \$353,466 in disbursements. Disbursements include \$98,705 of FY 2016 expenses that were paid in FY 2017. The balance as of March 31, 2017 was \$126,680.
- 2. Operations¹** – The June 30, 2016 balance in the Operations Account was \$284,446. Deposits equal to \$15,690 were made with zero in disbursements. The balance as of March 31, 2017 was \$300,136.
- 3. Charitable Contributions** - CSCDA's June 30, 2016 balance in the Charitable Contributions Account was \$25,815. The account has earned \$7 in interest. Disbursements equal to \$17,659 were made and the balance as of March 31, 2017 was \$8,162.

2017 Q3 CSCDA BUDGET REPORT:

This report provides actual FY 2015-16 actual figures for CSCDA, 2016-17 budget information, year-to-date results through Q3 for 2016-17 and a 2016-17 budget to actual variance calculation. The variance reflects the percent of budget received through March 31, 2017. If a variance is over 75%, CSCDA is over budget as of the third quarter. Similarly, if a variance is under 75%, CSCDA is under budget as of the third quarter.

- 1. Issuance Fee Collections** – CSCDA's issuance fee collections were over or close to budget in all categories except SCIP/Mello Roos and Other Municipal Bond Programs. Based on CSCDA's pipeline for SCIP/Mello Roos we expect to meet the budget by June 30, 2017. CSCDA's overall issuance fee collections are over budget by half a million dollars representing 87.89% of the amount budgeted for the fiscal year. A year over year comparison

¹ The Operations Account was established in July 2015 when it was determined that the Professional Services Account balance would be insufficient to meet CSCDA's operating costs. The League of California Cities and CSAC each contributed \$150,000 to the Operations Account to provide an initial balance of \$300,000. The Operations Account pays CSCDA's expenses when funds in the Professional Services Account are insufficient. When the Operations Account falls below \$300,000, the League and CSAC contribute 5% of new issuance fees until the \$300,000 initial balance is restored.

of issuance fees shows that CSCDA is ahead of FY 2016 actual Issuance Fee collections as we are already at 91% of FY 2016's issuance fees.

2. **Bond Administrative Fee Collections** – CSCDA's bond administrative fee collections are slightly over budget in every category except investment earnings which have not been realized. Overall bond administrative fee collections are over budget at 79.14% of the amount budgeted for the year which is approximately \$414,000 over budget.
3. **Total Fees Collected** – CSCDA has collected \$11.4 million in fees through Q3 representing 81.64% of the overall FY 2017 budget.
4. **Issuance Fee Disbursements** – Overall issuance fee disbursements are ahead of budget by approximately half a million dollars at 87.49% of the budgeted amount, which is consistent with the increase in Issuance Fee Collections.
5. **Bond Administration Fee Disbursements** – Bond administration fee disbursements are ahead budget in all categories except the fees paid to Urban Futures for housing compliance.
6. **General Administrative** – CSCDA had \$245,582 in General Administrative expenses through March 31, 2017 which represents approximately 41% of the amount budgeted overall for the year. Certain expenses like insurance, auditor and bank fees are paid annually. We currently expect legal expense to be lower than budgeted based on new fee negotiations.

QUESTIONS

CSCDA staff and League accounting personnel are available to respond to any questions the Commissioners may have about the Q3 2017 financial reports.

CSCDA

Budget-to-Actual Comparison for the Nine Months Ended March 31, 2017

	Actual 2015-16	Budget 2016-17	YTD 2016-17	Variance 2016-17
Amounts collected				
Issuance fees				
Qualified 501 (c)(3)	714,075	500,000	549,458	109.89%
Qualified residential rental program	1,201,505	1,100,000	1,000,620	90.97%
PACE	1,225,924	1,400,000	1,347,567	96.25%
SCIP / Mello Roos	683,825	950,000	546,802	57.56%
Other municipal bond programs	50,000	50,000	70,085	140.17%
Investment income	450	400	1,518	379.42%
Total issuance fees	3,875,779	4,000,400	3,516,050	87.89%
Bond administrative fees				
Qualified 501 (c)(3)	2,845,117	2,710,290	1,925,496	71.04%
Qualified residential rental program	6,927,762	6,703,911	5,526,722	82.44%
SCIP / Mello Roos	142,882	206,098	288,100	139.79%
Other municipal bond programs	465,562	379,950	333,403	87.75%
Investment income	301,903	600	(158,746)	-26457.63%
Total bond administrative fees	10,683,225	10,000,849	7,914,974	79.14%
Total amounts collected	14,559,004	14,001,249	11,431,024	81.64%
Amounts disbursed				
Issuance				
Program management fees - BSP	1,894,126	1,866,667	1,691,625	90.62%
Program governance fees - CSAC	845,936	1,066,667	903,933	84.74%
Program governance fees - League	845,936	1,066,667	903,933	84.74%
Total issuance	3,585,998	4,000,001	3,499,492	87.49%
Bond administration				
Program management fees - BSP	110,738	313,333	291,886	93.16%
Compliance monitoring fees - BSP	89,553	150,000	144,151	96.10%
Administration fees - HB Capital	5,699,360	5,041,055	4,273,437	84.77%
Program governance fees - CSAC	1,273,635	1,366,683	1,165,630	85.29%
Program governance fees - League	1,273,635	1,366,683	1,165,630	85.29%
Compliance fees - Compliance Services LLC	626,103	0	0	
Compliance fees - Urban Futures	580,131	1,020,000	670,008	65.69%
Charitable Contribution	0	40,000	17,659	44.15%
Total bond administration	9,653,155	9,297,754	7,728,401	83.12%
Subtotal Issuance & Bond Administration	13,239,153	13,297,755	11,227,893	84.43%

CSCDA

Budget-to-Actual Comparison for the Nine Months Ended March 31, 2017

	Actual 2015-16	Budget 2016-17	YTD 2016-17	Variance 2016-17
General administrative				
Executive Director	110,198	72,000	32,633	45.32%
General Counsel - Richards Watson Gershon	223,777	150,000	62,258	41.51%
Insurance	26,518	30,000	549	1.83%
Board travel reimbursements	2,761	5,000	2,514	50.28%
Issuer counsel - Orrick	140,450	181,250	70,290	38.78%
Auditor - MGO	20,600	30,000	4,900	16.33%
Other professional services: Nielsen	46,386	45,000	34,276	76.17%
BSP municipal advisor fee	24,000	24,000	18,000	75.00%
Bank service fees	5,962	7,000	0	0.00%
Marketing and Sponsorships	11,885	30,000	18,110	60.37%
Other	27,679	20,000	2,053	10.26%
Total general administrative	640,215	594,250	245,582	41.33%
Total amounts disbursed	13,879,368	13,892,005	11,473,475	82.59%
Net surplus (deficit)	679,636	109,244	(42,450)	-38.86%

CSCDA
Bank Account Activity
For the Nine Months Ended March 31, 2017

	Beg Bal	Add:	Less:	End Bal
	06/30/16	Deposits	Disbursements	12/31/16
Bank account:				
Professional Services	73,343	406,802	(353,466)	126,680
Operations	284,446	15,690	0	300,136
Charitable Contributions	25,815	7	(17,659)	8,162
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	383,604	422,499	(371,125)	434,978
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