

**Golden State Finance
Authority (GSFA)
Multi-Family Review and Approval Action
Team Meeting**



**Thursday, June 13, 2019
11:15 A.M.**

**1215 K Street, Suite 1650
Sacramento CA 95814
916-384-1600**



**Golden State Finance Authority (GSFA)
Multi-Family Review and Approval Action Team Meeting
Thursday, June 13, 2019
11:15 a.m.
1215 K Street Suite 1650
Sacramento, CA 95814
(916) 384-1600**

AGENDA

Multi Family Review and Approval Action Team Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Bob Williams, Tehama County
Supervisor Les Baugh, Shasta County
Supervisor Rex Bohn, Humboldt County
Daron McDaniel, Merced County

- 1. Call to Order & Determination of Quorum**
Supervisor Kevin Cann, Mariposa County
- 2. Public Testimony**
Presentation only of any matters of concern to the general public
- 3. Approval of the Minutes of the March 25, 2019 Meeting** **Page 1**
- 4. GSFA Resolution 2019-10: Official Intent to Issue Multi-Family Housing Revenue Bonds - ACTION** **Page 3**
<http://www.gsfahome.org/admin/notices.shtml>
Craig Ferguson, Deputy Director

5. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, please call Sarah Bolnik at (916) 384-1619 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item.

**Golden State Finance Authority (GSFA)
Multi-Family Review and Approval Action Team Meeting
Monday, March 25, 2019, 11:00 a.m.**

**Teleconference: (916) 384-1600
1215 K Street Suite 1650
Sacramento, CA 95814**

Minutes

Multi-Family Review and Approval Action Team Teleconference Address:

Supervisor Kevin Cann 5100 Bullion Street, Mariposa, CA
Supervisor Bob Williams 727 Oak Street, Red Bluff, CA
Supervisor Rex Bohn
Supervisor Daron McDaniel
Supervisor Les Baugh 1887 Howard Street, Anderson, CA

Call to Order and Determination of Quorum

GSFA Chair, Supervisor Kevin Cann, Mariposa County, called the Golden State Finance Authority Multi-Family Review and Approval Action Team Meeting to order at 11:01 a.m. A quorum was determined at that time, those present were as follows:

Supervisors Present

Supervisor Kevin Cann, Mariposa County
Supervisor Bob Williams, Tehama County
Supervisor Les Baugh, Shasta County

Absent Members

Supervisor Rex Bohn, Humboldt County
Supervisor Daron McDaniel, Merced County

Others in Attendance

Craig Ferguson, Deputy Director
Sarah Bolnik, RCRC Economic Development Specialist

Approval of Minutes of the November 14, 2018 Meeting

(Team Members absent from the meeting will be recorded as abstained unless indicated otherwise)

Supervisor Les Baugh, Shasta County, motioned to approve the minutes of the November 14, 2018 GSFA Multi-Family Review and Approval Action Team Meeting. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed by roll call vote:

AYE: Mariposa, Shasta, Tehama
NAY: N/A
ABSENT: Humboldt, Merced

GSFA Resolution 2019-05: Official Intent to Issue Multi-Family Housing Revenue Bonds

Craig Ferguson, Deputy Director, gave the Multi-Family Review and Approval Action team an overview of Resolution 2019-05. If approved, this Resolution would authorize the issuance of debt for the financing of multi-family housing project in El Dorado County.

Recommendation

It is recommended that the GSFA Multi-Family Approval and Action team review and approve the following:

GSFA Resolution 2019-05 authorizing the issuance of debt for the financing of multi-family housing projects, the development and approval of financing structures, application procedures and participation in any application required to assist a potential borrower in being awarded tax exempt volume cap by CDLAC for the project listed in Exhibit A.

Supervisor Les Baugh, Shasta County, motioned to approve GSFA Resolution 2019-05. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed by roll call vote:

AYE: Mariposa, Shasta, Tehama

NAY: N/A

ABSENT: Humboldt, Merced

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Multi-Family Review and Approval Action Team at 11:07 a.m.



To: GSFA Multi-Family Review and Approval Action Team
From: Craig Ferguson, Deputy Director
Date: June 12, 2019
Re: GSFA Resolution 2019-10: Official Intent to Issue Multi-Family Housing Revenue Bonds – **ACTION**

The Multi-Family Review and Approval Action Team (the "Team") on behalf of the Board of the Golden State Finance Authority (the "Authority") is being asked to adopt a resolution (the "Bond Resolution") authorizing the issuance by the Authority of multifamily housing revenue bonds (the "Bonds") for the purpose of financing a senior residential housing facility located in Contra Costa County (the "County") that is a member or associate member of the Authority (the "Project"). The Project and the Bonds are described on the attached Exhibit A.

The Authority previously approved an inducement resolution covering the Project. At that time, it was noted that there were several steps to be taken before Bonds could be issued for the Project, including that the Project needed to receive "private activity bond" allocation from the California Debt Limit Allocation Committee ("CDLAC") and that the "applicable elected representatives" of the County in which the Project is located, that is the County Board of Supervisors, adopt a resolution approving the issuance of such "private activity bonds" after a public hearing has been held which has been noticed in a newspaper of general circulation in such jurisdiction. The Contra Costa County Board of Supervisors has adopted a resolution approving the issuance of such bonds after a public hearing, and CDLAC awarded "private activity bond" allocation for the Project and the Bonds at its meeting on December 12, 2018.

As noted in the Bond Resolution, all of the Bonds will be privately placed with America First Multifamily Investors, L.P., or an affiliate thereof (the "Purchaser"), as the initial purchaser of the Bonds. The Bond Resolution also approves the execution and delivery of certain Bond documents, which are substantially in the form expected to be entered at the Bond closing, other than the completion of such items as the final Bond principal amount, interest rate and the like (the interest rate on the senior bonds is expected to be in the range of 5.75%, and the interest rate on the subordinate bonds is expected to be in the range of 8.0%; the final maturity date is expected to be no later than December 1, 2036). The Bond documents include (i) the Trust Indenture which sets out the terms and provisions of the Bonds, (ii) the Loan Agreement under which the proceeds of the Bonds will be loaned to the applicable California limited partnership, as

the borrower (the "Borrower"), and (iii) with respect to the Project, the Regulatory Agreement and Declaration of Restrictive Covenants that sets out the Borrower's agreement to provide at least 40% of the units to low and moderate income tenants, and such other documents and certificates as needed for the issuance of the Bonds (in fact, because the Project will be financed in part with low income housing tax credits, it is expected that 100% of the units will be rented to low and moderate income tenants). Before the Bonds are issued, the final Bond terms will be agreed to between the Borrower and the Purchaser, and these terms will be incorporated into the Bond documents.

It is important to note that the Bonds, when issued, will not be secured by any form of taxation, or by any obligation of either the County or the Authority. The debt does not represent or constitute a general obligation of either the Authority or the County. The Bonds will be payable solely from amounts received pursuant to the terms and provisions of the Loan Agreement and the other Bond documents. In the Loan Agreement, the Borrower provides comprehensive indemnification to the Authority and its members and associate members, including the County.

Recommendation

It is recommended that the GSFA Multi-Family Approval and Action team review and approve the following:

GSFA Resolution 2019-10 authorizing the issuance of debt for the financing of multi-family housing projects, the development and approval of financing structures, application procedures and participation in any application required to assist a potential borrower in being awarded tax exempt volume cap by CDLAC for the project listed in Exhibit A.

Attachment(s)

- GSFA Resolution 19-10
- Exhibit A

GSFA RESOLUTION NO. 2019-10

A RESOLUTION OF THE GOLDEN STATE FINANCE AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF SENIOR HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,200,000 FOR THE FINANCING OF A SENIOR RENTAL HOUSING PROJECT GENERALLY KNOWN AS MONTEVISTA SENIOR APARTMENTS LOCATED IN SAN PABLO, CALIFORNIA; 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 Golden State Finance Authority (referred to herein as 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 July 1, 1993, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the construction, acquisition, development 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, Section 7.g of the Agreement provides that the Governing Board of the Authority (the “Board”) has the authority, by resolution, to delegate any of its functions to one or more Delegates (as defined in the Agreement), and to cause any such authorized Delegates to take any actions and execute documents for and in the name and on behalf of the Board or the Authority;

WHEREAS, the Authority adopted Amended and Restated Resolution No. 2015-04 on August 19, 2015, authorizing the delegation of certain authority to review and approve matters relating to the financing of multifamily project applications on behalf of the Authority, including the making of loans and grants by the Authority, the issuance of conduit revenue bonds by the Authority and the execution of all documents relating to such financing on behalf of the Authority to the Authority’s Multi-Family Review and Approval Action Team (the “Team”);

WHEREAS, Montevista San Pablo AR, L.P., 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 81-unit senior rental housing development located in the City of San Pablo, County of Contra Costa, California and known as Montevista Senior Apartments (the “Project”);

WHEREAS, on December 12, 2018, the Authority received allocations in the amounts of \$13,200,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the County of Contra Costa is an Associate Member (as defined in the Agreement) of the Authority;

WHEREAS, the Authority is willing to issue not to exceed \$13,200,000 aggregate principal amount of its Senior Housing Revenue Bonds (Montevista Senior Apartments Project), 2019 Series B-1 (the “Series B-1 Bonds”), and its Subordinate Senior Housing Revenue Bonds (Montevista Senior Apartments Project), 2019 Series B-2 (the “Series B-2 Bonds” and together with the Series B-1 Bonds, the “Bonds”), provided that the aggregate 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 America First Multifamily Investors, L.P., or an affiliate thereof (the “Purchaser”), as the purchaser of the Bonds and as the lender, servicer, disbursing agent and financial monitor with respect to such Bonds;

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

(1) Trust Indenture (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

(2) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;

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

(4) First Omnibus Modification of Trust Indenture, Loan Agreement, Deeds of Trust, Collateral Assignment of Tax Credits and Subordination Agreement (the “Omnibus Agreement”), by and among the Authority, the Trustee, the Borrower and the other parties thereto and consented to by the Purchaser.

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Bonds, attached hereto as **Attachment I**, has been presented to the Authority by the Borrower based on good faith estimates provided by the Purchaser to the Borrower;

NOW, THEREFORE, BE IT RESOLVED by the members of the Team, in the name of and on behalf of the Board and the Authority, as follows:

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue two or more series of Bonds. The Bonds shall be designated as “Golden State Finance Authority Senior Housing Revenue Bonds (Montevista Senior Apartments Project), 2019 Series B-1” and “Golden State Finance Authority Subordinate Senior Housing Revenue Bonds (Montevista Senior Apartments Project), 2019 Series B-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$13,200,000; 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 Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Board 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 Indenture, 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 Indenture, and the Bonds shall

not be deemed to constitute a debt or liability of the Authority or any Associate Member or any Member of the Board of the Authority (each, a "Member").

Section 3. The Indenture substantially as in the form presented at this meeting is hereby approved. Any Member, the Authority's Director of Operations 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 a Resolution of the Authority, adopted on August 19, 2015) (together with the Members and the Authority's Director of Operations, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Indenture, 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, interest rate or rates, 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 Indenture as finally executed.

Section 4. The Loan Agreement substantially as 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 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 substantially as 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 Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, 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 Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 7. 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, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, 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 8. 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 Board, 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 Indenture, and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Golden State Finance Authority this June 13, 2019.

The undersigned, an Authorized Signatory of the Golden State Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Multi-Family Review and Approval Action Team of the Authority at a duly called meeting of the Multi-Family Review and Approval Action Team of the Authority held in accordance with law on June 13, 2019.

By: _____
Authorized Signatory

ATTACHMENT I

PUBLIC DISCLOSURES RELATING TO CONDUIT SENIOR HOUSING REVENUE BONDS

Pursuant to California Government Code Section 5852.1, Montevista San Pablo AR, L.P., a California limited partnership (the "Borrower"), has provided the following required information to the Golden State Finance Authority (the "Authority"), as conduit financing provider, prior to a duly called meeting of the Multi-Family Review and Approval Action Team of the Authority on June 11, 2019 (the "Meeting"), at which Meeting the Multi-Family Review and Approval Action Team will consider the authorization of conduit senior housing revenue bonds in the aggregate principal amount of not to exceed \$13,200,000 (the "Bonds").

1. America First Multifamily Investors, L.P., as private placement lender engaged by the Borrower and purchaser of the Bonds (the "Purchaser"), provided the Borrower with the required good faith estimates relating to the Bonds as follows:
 - A. The true interest cost of the Bonds, which means the interest rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds (to the nearest ten-thousandth of one percent): 6.075%.
 - B. The finance charge of the Bonds, which means the sum of all fees and charges paid to third parties: \$409,320 (which includes the Purchaser's origination fee of \$198,000 and the Authority's upfront issuer fee of \$12,500).
 - C. The amount of proceeds received by the Authority from the sale of the Bonds less (i) the finance charge of the Bonds described in subparagraph (B) paid from the proceeds of the Bonds, and (ii) any reserves or capitalized interest paid or funded with proceeds of the Bonds: \$11,853,402.
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Bonds plus the finance charge of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total payment amount shall be calculated to the final maturity of the Bonds): \$20,462,979.
2. The good faith estimates provided above were based on the information in *Schedule I* which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Bonds or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Bonds.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Bonds and the actual amortization of the Bonds will depend on market interest rates at the time of the issuance of the Bonds. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting.

Schedule I

**EXHIBIT A
BONDS**

Project Name	Project Location	Units	Multifamily/ Senior Housing Project	Name of Initial Owner/Operator	Final Not To Exceed Bond Amount
Montevista Senior Apartments	City of San Pablo, County of Contra Costa	81	Senior Housing Project	Montevista San Pablo AR, L.P.	\$13,200,000