



CaliforniaAffordableHousingAgency

NOTICE OF MEETING

DUE TO COVID-19 AND PURSUANT TO CHANGES TO THE BROWN ACT ISSUED BY EXECUTIVE ORDER N-29-20 FROM GOVERNOR GAVIN NEWSOM, THE EXECUTIVE COMMITTEE OF THE BOARD OF COMMISSIONERS MEETING HAS BEEN CHANGED FROM MEETING AT 806 WEST 19TH STREET MERCED, CA TO A ZOOM VIDEO AND TELEPHONIC CONFERENCE CALL.

Executive Committee of the Board of Directors of the California Affordable Housing Agency, which is a Joint Powers Agency consisting of various Housing Authorities located throughout California, including this Housing Authority, will hold a conference call meeting on:

June 14, 2021 at 10:00 a.m.

Zoom

<https://zoom.us/j/5600363167?pwd=RmZTR0NabzcrY0ZYQIZyYUd6blpwZz09>

Call-in Number: 1-669-900-9128

Meeting ID: 560 036 3167

Passcode: 293018

PUBLIC IS WELCOME

Anyone interested may attend.

You may attend this meeting by Zoom video call or teleconference at this local Housing Authority. The Board Member representative from this local Housing Authority may be attending this meeting by teleconference. Please ask for assistance at the front lobby area if you wish to participate in this scheduled meeting.

The Agenda for this meeting is posted next to or below this notice.

806 West 19th Street, Merced, CA 95340

(209) 384-0001



CaliforniaAffordableHousingAgency

AGENDA

**THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
CALIFORNIA AFFORDABLE HOUSING AGENCY
EXECUTIVE BOARD MEETING**

June 14, 2021

10:00am

**806 W. 19th Street
Merced, CA 95340
(209) 384-0001**

DUE TO COVID-19 and PURSUANT TO CHANGES TO THE BROWN ACT ISSUED BY EXECUTIVE ORDER N-29-20 FROM GOVERNOR GAVIN NEWSOM, THE EXECUTIVE COMMITTEE OF THE BOARD OF COMMISSIONERS MEETING HAS BEEN CHANGED FROM MEETING AT 806 WEST 19TH STREET MERCED, CA TO A ZOOM VIDEO AND TELEPHONIC CONFERENCE CALL.

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Passcode: 293018

Executive Committee Member Locations

**2039 Forest Avenue Suite 10
Chico, California 95928**

**1612 Sisk Road
Modesto, California 95350**

**1402 D Street
Brawley, California 92227**

**1400 West Hillcrest Drive
Newbury Park, California 91302**

**2575 Grand Canal Blvd. Suite 100
Stockton, California 95207**

I. CALL TO ORDER AND ROLL

II. DIRECTORS' AND/OR AGENCY ADDITIONS/DELETIONS TO THE AGENDA

(M/S/C): ____/____/____

III. APPROVAL OF MEETING MINUTES

1. Minutes of March 8, 2021

(M/S/C): ____/____/____

2. Minutes of March 29, 2021

(M/S/C): ____/____/____

IV. UNSCHEDULED ORAL COMMUNICATIONS

NOTICE TO THE PUBLIC

At this time, any person(s) may comment on any item that is not on the Agenda. Please state your name and address for the record. Action will not be taken on an item that is not on the Agenda. If it requires action, it will be referred to Staff and/or placed on the next Agenda. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of five (5) minutes.

V. FINANCIAL REPORT OF ADMINISTRATOR

Current Financials of the Agency

VI. RESOLUTION, ACTION AND INFORMATION ITEMS

None.

B. ACTION ITEMS:

1. Action Item 2021-02A:

Approval and acceptance of the Year 2020 Annual Audit Reports

M/S/C ___/___/___

2. Action Item 2021-03A:

Authorization to proceed with the proposed refinancing structures for the proposed financings with the Aspen Real Estate Financial, LLC

M/S/C ___/___/___

C. INFORMATION/DISCUSSION ITEM(S)

1. Executive Director's Report;
2. Current update on Trio Program;
3. Current update on prospective projects and financings;
4. Current update on member projects and administrative matters.

VII. CLOSED SESSION

None.

VIII. DIRECTORS' COMMENTS

IX. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS

(The second Monday of the month): July 12, 2021, August 9, 2021, September 13, 2021, October 11, 2021, November 8, 2021 and December 13, 2021

X. ADJOURNMENT



California Affordable Housing Agency

MINUTES

**THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
CALIFORNIA AFFORDABLE HOUSING AGENCY MEETING**

**March 8, 2021
10:00 a.m.**

**806 West 19th Street
Merced, CA**

- I. The Board Meeting of the Executive Board of the California Affordable Housing Agency was called to order by Ed Mayer at 10:17 a.m. The roll was taken and a quorum declared present. The following Executive Board Members were present for the meeting:

CalAHA Executive Board Members Present:

1. Ed Mayer, Chairperson and Executive Director, Housing Authority of the County of Butte
2. Barbara Kauss, Vice Chairperson and CEO & Executive Director – Stanislaus Regional Housing Authority
3. Kirk Mann, Secretary/Treasurer and Executive Director, Imperial Valley Housing Authority

Members Not Present:

4. Peter Ragsdale, Executive Director, Housing Authority of the County of San Joaquin
5. Michael Nigh, Executive Director, Area Housing Authority of the County of Ventura

Others Present:

6. Kao Xiong, Law Office of Thomas E. Lewis

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7. Thomas E. Lewis, General Counsel
8. Nicolas Benjamin, Executive Director - CalAHA
9. Bob Havlicek, Executive Director of the Housing Authority of the County of Santa Barbara
10. Julie Wunderlich, Jones Hall
11. Patrick Howard, Founding Member, Evergreen Pacific Capital, LLC
12. Massey Casper, Executive Director of the Housing Authority of the City of Madera

II. Directors' and/or Agency Additions/Deletions to the Agenda: None

(M/S/C): B. Kauss/K. Mann -Motion to approve agenda as presented.
Roll Call Vote Approved: 3-0

III. Approval of the Minutes on December 14, 2020:

(M/S/C): B. Kauss/K. Mann-Motion to approve minutes as presented.
Roll Call Vote Approved: 3-0

Approval of the Minutes on February 8, 2021

(M/S/C): B. Kauss/K. Mann-Motion to approve minutes as presented.
Roll Call Vote Approved: 3-0

IV. Unscheduled Oral Communication:

None.

V. FINANCIAL REPORT OF ADMINISTRATOR:

Tom Lewis gave a short overview of the current financials.

VI. RESOLUTION, ACTION AND INFORMATION/DISCUSSION ITEMS:

A. RESOLUTION ITEMS:

RESOLUTION NO. 2021-01

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY APPROVING THE ENTERING INTO NEGOTIATIONS FOR AN INDEPENDENT CONTRACTOR AGREEMENT FOR DEVELOPMENT AND ADMINISTRATIVE RELATED SERVICES RELATED TO CALAHA TO

EXPAND ITS DEVELOPMENT CONSULTING SERVICES CAPACITY FOR CALAHA AND ITS MEMBER AGENCIES AND AUTHORIZING THE EXECUTIVE DIRECTOR AND BOARD CHAIR TO FINALIZE THE AGREEMENT WITH MARCELA ZUNIGA INCLUDING ANY NEEDED MODIFICATIONS OR REVISIONS TO AN INDEPENDENT CONTRACTOR AGREEMENT AND FURTHER AUTHORIZING THE EXECUTIVE DIRECTOR AND THE BOARD CHAIR TO TAKE ALL NECESSARY ACTION TO IMPLEMENT AND CARRY OUT THE TERMS OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR PROFESSIONAL DEVELOPMENT AND ADMINISTRATIVE SERVICES

Mr. Mayer indicated that Nick Benjamin and Tom Lewis recommend retaining another contractor to assist Mr. Benjamin with development/project management work as more projects are anticipated for 2021 with Aspen Real Estate, KH Equities and member projects. Mr. Benjamin indicated that he had worked with Marcela Zuniga before and highly recommends her as she has experience with housing authority and management.

The Board Members request for Mr. Benjamin and Mr. Lewis to draft an Independent Contractor contract with job description and have a Special Meeting in the next two weeks to vote. No vote was taken.

RESOLUTION NO. 2021-02

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY FOR AN ASSET MANAGEMENT FEE FROM USDA-RURAL DEVELOPMENT AND FURTHER AUTHORIZING THE EXECUTIVE DIRECTOR TO WITHDRAW FROM THE PAYMENT OF REAL PROPERTY TAXES/PILOT FOR THE OLIVE TREE SENIOR APARTMENTS PROJECT AND TO TAKE ALL NECESSARY ACTION TO ACCOMPLISH THE AUTHORIZED ACTIONS

(M/S/C): B. Kauss/K. Mann
Roll Call Vote Approved: 3-0

RESOLUTION NO. 2021-03

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE BOARD CHAIR VICE CHAIR SECRETARY OR ASSIGNEE TO ENTER INTO LOAN REFINANCING AGREEMENTS AND OTHER RELATED DOCUMENTS FOR THE REFINANCING OF A SINGLE FAMILY HOME LOCATED AT 205 KIRKLAND COURT LINCOLN CA AND FURTHER AUTHORIZING THE BOARD CHAIR VICE CHAIR SECRETARY

EXECUTIVE DIRECTOR OR ASSIGNEE TO TAKE ANY NECESSARY ACTIONS TO COMPLETE THE REFINANCING OF THE HOME

Patrick Howard indicated that refinancing the property will drop the interest rate from 4.5% to 3% which will also benefit the lessee when they purchase.

(M/S/C): B. Kauss/K. Mann
Roll Call Vote Approved: 3-0

RESOLUTION NO. 2021-04

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE BOARD CHAIR VICE CHAIR SECRETARY OR ASSIGNEE TO ENTER INTO LOAN REFINANCING AGREEMENTS AND OTHER RELATED DOCUMENTS FOR THE REFINANCING OF A SINGLE FAMILY HOME LOCATED AT 1500 7TH STREET LINCOLN CA AND FURTHER AUTHORIZING THE BOARD CHAIR VICE CHAIR SECRETARY EXECUTIVE DIRECTOR OR ASSIGNEE TO TAKE ANY NECESSARY ACTIONS TO COMPLETE THE REFINANCING OF THE HOME

(M/S/C): B. Kauss/K. Mann
Roll Call Vote Approved: 3-0

B. ACTION ITEMS:

1. Action Item 2021-01A

Authorization to proceed with the proposed refinancing of the Court of Fountains project with the Aspen Real Estate Financial, LLC

Nick Benjamin indicated that the project spends \$40,000 per year in operations and special district tax. The project will be implementing a rent increase, however, it will take time to recover the operations cost. Aspen Real Estate has proposed to lease or sale the project to the City of Los Banos or an interested party for an income and CalAHA will also receive a fee. Mr. Lewis indicated that Aspen Real Estate will cover any due diligence fee if a deal does not go through.

(M/S/C): B. Kauss/K. Mann
Roll Call Vote Approved: 3-0

C. INFORMATION/DISCUSSION ITEMS.

1. Nick Benjamin Report on Development – Mr. Benjamin indicated that he received many positive feedbacks from the Annual Retreat.
2. Current update on Trio Program: none.
3. Current update on prospective projects and financings: Mr. Benjamin indicated that KH Equities approached CalAHA with interest in participating in project deals with administrative fees for CalAHA. KH Equities is offering to do debt coverage ratio at a lower rate.

Mr. Lewis proposed to form a committee that can meet regarding Aspen Real Estate projects with two Executive Members and two non-Executive Members. Barbara Kauss indicated that Brown Act will still be required as this will be a standing committee. Mr. Mayer would like to discuss this at next month's meeting.

4. Current update on member projects and administrative matters: none.

VII. CLOSED SESSION:

None.

VIII. DIRECTORS' COMMENTS:

None.

IX. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS:

(The second Monday of the month):

(The second Monday of the month):

April 12, 2021, May 10, 2021, June 14, 2021, July 12, 2021, August 9, 2021, September 13, 2021, October 11, 2021, November 8, 2021 and December 13, 2021

X. ADJOURNMENT:

Meeting adjourned @ 11:22 am.

Secretary

Date: _____



CaliforniaAffordableHousingAgency

MINUTES

**THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
CALIFORNIA AFFORDABLE HOUSING AGENCY MEETING**

**March 29, 2021
10:00 a.m.**

**806 West 19th Street
Merced, CA**

- I. The Board Meeting of the Executive Board of the California Affordable Housing Agency was called to order by Ed Mayer at 10:03 a.m. The roll was taken and a quorum declared present. The following Executive Board Members were present for the meeting:

CalAHA Executive Board Members Present:

1. Ed Mayer, Chairperson and Executive Director, Housing Authority of the County of Butte
2. Linh Luong for Barbara Kauss, Vice Chairperson and CEO & Executive Director – Stanislaus Regional Housing Authority
3. Kirk Mann, Secretary/Treasurer and Executive Director, Imperial Valley Housing Authority
4. Peter Ragsdale, Executive Director, Housing Authority of the County of San Joaquin

Members Not Present:

5. Michael Nigh, Executive Director, Area Housing Authority of the County of Ventura

Others Present:

6. Kao Xiong, Law Office of Thomas E. Lewis

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7. Thomas E. Lewis, General Counsel
8. Nicolas Benjamin, Executive Director - CalAHA
9. Bob Havlicek, Executive Director of the Housing Authority of the County of Santa Barbara
10. Patrick Howard, Founding Member, Evergreen Pacific Capital, LLC

II. Directors' and/or Agency Additions/Deletions to the Agenda: None

(M/S/C): K. Mann/P. Ragsdale -Motion to approve agenda as presented.
Roll Call Vote Approved: 4-0

III. Approval of the Minutes:

IV. Unscheduled Oral Communication:

None.

V. FINANCIAL REPORT OF ADMINISTRATOR:

None.

VI. RESOLUTION, ACTION AND INFORMATION/DISCUSSION ITEMS:

A. RESOLUTION ITEMS:

RESOLUTION NO. 2021-01

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY APPROVING THE ENTERING INTO NEGOTIATIONS FOR AN INDEPENDENT CONTRACTOR AGREEMENT FOR DEVELOPMENT AND ADMINISTRATIVE RELATED SERVICES RELATED TO CALAHA TO EXPAND ITS DEVELOPMENT CONSULTING SERVICES CAPACITY FOR CALAHA AND ITS MEMBER AGENCIES AND AUTHORIZING THE EXECUTIVE DIRECTOR AND BOARD CHAIR TO FINALIZE THE AGREEMENT WITH MARCELA ZUNIGA INCLUDING ANY NEEDED MODIFICATIONS OR REVISIONS TO AN INDEPENDENT CONTRACTOR AGREEMENT AND FURTHER AUTHORIZING THE EXECUTIVE DIRECTOR AND THE BOARD CHAIR TO TAKE ALL NECESSARY ACTION TO IMPLEMENT AND CARRY OUT THE TERMS OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR PROFESSIONAL DEVELOPMENT AND ADMINISTRATIVE SERVICES

Nick Benjamin indicated that there are many future projects with Aspen Real Estate and member projects that will require additional help. Ed Mayer indicated that the agency is in good standing to move forward with hiring Ms. Zuniga.

(M/S/C): P. Ragsdale/K. Mann – Roll Call Vote
Approved: 4-0

RESOLUTION NO. 2021-05

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE BOARD CHAIRPERSON OR HIS ASSIGNEE TO ENTER INTO A BANKING RELATIONSHIP WITH F&M BANK FOR BANKING AND DEPOSITORY SERVICES AND FURTHER AUTHORIZING THE BOARD CHAIRPERSON AND/OR HIS ASSIGNEE TO SIGN ALL NECESSARY DOCUMENTS AND TAKE ALL NECESSARY ACTIONS TO ESTABLISH A BANKING RELATIONSHIP WITH F&M BANK

Mr. Lewis indicated that CalAHA needs additional banking relationships for its deposits and for possible future funding of projects. He stated that F& M Bank has been shown to be a good local community partner.

(M/S/C): K. Mann/L. Luong – Roll Call Vote
Approved: 4-0

RESOLUTION NO. 2021-06

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE BOARD CHAIRPERSON OR HIS ASSIGNEE TO ENTER INTO BANKING RELATIONSHIPS WITH STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF) AND/OR FIVE STAR BANK FOR BANKING AND DEPOSITORY SERVICES AND FURTHER AUTHORIZING THE BOARD CHAIRPERSON OR HIS ASSIGNEE TO SIGN ALL NECESSARY DOCUMENTS AND TAKE ALL NECESSARY ACTIONS TO ESTABLISH BANKING RELATIONSHIP WITH FIVE STAR BANK

Bob Havlicek indicated that Five Star Bank has higher interest and recommends CalAHA to look into forming a banking relationship with Five Star bank.

(M/S/C): K. Mann/Linh Luong – motion to amend Resolution to establish a banking relationship with Five Star Bank
Roll Call Vote Approved: 4-0

RESOLUTION NO. 2021-07

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE BOARD CHAIRPERSON EXECUTIVE DIRECTOR OR THEIR ASSIGNEE TO ENTER INTO A PURCHASE AGREEMENT FOR THE PURCHASE OF A SINGLE FAMILY HOME LOCATED AT 1116 LONDON PLACE ROSEVILLE CALIFORNIA AND FURTHER AUTHORIZING THE BOARD CHAIRPERSON TO TAKE ANY NECESSARY ACTIONS TO COMPLETE THE PURCHASE OF THE HOME

(M/S/C): P. Ragsdale/K. Mann – Roll Call Vote
Approved: 4-0

RESOLUTION NO. 2021-08

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY ACCEPTING A GRANT DEED FOR THE PURCHASE OF THE REAL PROPERTY LOCATED AT 1116 LONDON PLACE ROSEVILLE CALIFORNIA AND AUTHORIZING ITS CHAIR, EXECUTIVE DIRECTOR, SECRETARY OR ASSIGNEE TO SIGN NECESSARY DOCUMENTS AND TAKE ANY OTHER NECESSARY ACTION TO ACCEPT THE GRANT DEED

(M/S/C): K. Mann/L. Luong – Roll Call Vote
Approved: 4-0

B. ACTION ITEMS:

None.

C. INFORMATION/DISCUSSION ITEMS.

1. **K&H Equities – Mr. Benjamin indicated that K&H Equities approached our agency and want to acquire properties and convert to workforce housing. Their debt service coverage ratio is below 1.2%. Mr. Lewis and**

Mr. Benjamin has had several conference calls with the group and would like to see if the Board is interested. Mr. Mayer indicated that he would like to further discuss with Julie Wunderlich.

2. Nick Benjamin Report on Development – None.
3. Current update on Trio Program – Patrick Howard indicated that two federal agencies (Tribal entities) were approved to work with Trio. Trio will now operate nationwide. Mr. Howard indicated that Link Homeloan just launched and is offered through Essex Mortgage for the Trio Program. This means that more work will be coming in to CalAHA.
4. Current update on prospective projects and financings: Mr. Lewis indicated that Court of Fountains is trying to get a letter of credit from Mechanics Bank and also see if City of Los Banos will be interested in Acting as a guarantor for the project.
5. Current update on member projects and administrative matters: none.

VII. CLOSED SESSION:

None.

VIII. DIRECTORS' COMMENTS:

None.

IX. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS:

(The second Monday of the month):

(The second Monday of the month):

April 12, 2021, May 10, 2021, June 14, 2021, July 12, 2021, August 9, 2021, September 13, 2021, October 11, 2021, November 8, 2021 and December 13, 2021

X. ADJOURNMENT:

Meeting adjourned @ 10:38 am.

Secretary

Date



CaliforniaAffordableHousingAgency

TO: CalAHA Executive Committee

**FROM: Nick Benjamin, Executive Director
6/14/2021**

**SUBJECT: Review and Adoption of Agency Annual Audit for
Fiscal Year 2020**

Attached you will find the Agency Annual Audit for fiscal year 2020.

There were no findings by the auditor. For the second consecutive year, a detailed Management Discussion and Analysis (MD&A) was included for submission in the audit.

It is worthy to note that income derived from development activities in fiscal year 2020 was not received and deposited into agency accounts until early 2021. The impact to the agency expenditure/income ratio will be observed in the 2021 annual audit.

California Affordable Housing Agency JPA

Management Discussion & Analysis

Financial Audit - Year Ended December 31, 2020

The California Affordable Housing Agency JPA (CalAHA, or Agency) management discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of agency financial activity, and (c) identify changes in the Agency financial position for the year ended December 31, 2020.

Basic Financial Statements

The CalAHA financial statements consist of three components: 1) the MD&A, 2) Agency-wide financial statements, and 3) notes to the basic financial statements. In addition, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of CalAHA.

Discussion of Financial Highlights

The cash, cash equivalents and restricted cash for FYE 12/31/2019 was \$2,433,568. The cash, cash equivalents and restricted cash for FYE 12/31/2020 was \$1,990,247. The difference of (\$443,321) includes \$136,824 used for capital acquisitions and long term debt service. The remaining \$306,497 was used for agency operations, a reduction (\$92,757) from 2019, due largely to an increase in administrative fees received by the agency. Of the agency owned assets, Olive Tree Apartments is solvent and covering debt service requirements. The Court of Fountains Apartments is meeting its debt service requirements by way of Agency subsidy in the annual amount of about \$40,000 per year.

Outlook

In efforts to more fully serve its membership, the CalAHA Board of Directors elected to offer development services to its members. The cost of the newly offered services, consisting mostly of personnel retention, was planned to be offset by income derived from the project management and development fees charged to respective member projects. Although development projects take time to reach fruition, as of March 2021, the agency has earned over \$231,000 in fee income earned by supporting members development projects. Current projections of revenue for the FY 2021 year suggest the development services of the Agency will be self-supporting or nearly so, once projects are completed and contracted billings realized.

In addition to its bond-issuance business serving member agencies and their jurisdictions, CalAHA has strategically initiated development consulting services to its members, comprised principally of small to medium sized PHA's that do not have robust internal development capacities. Consistent with this objective, CalAHA has taken on project management services in the delivery of a hotel acquisition/conversion project and several small-home manufactured and modular housing development projects on behalf of the Stanislaus Housing Authority; has provided

appraisal, capital needs assessment, financial consulting, and bond issuance services in the repositioning and leveraging of other-owned properties on behalf of the Housing Authority of the County of Butte. In particular, CalAHA is creatively advancing small-home development initiatives modeling new approaches to subdivision development, such product lending itself to both rental and for-sale opportunities. It is yet to be seen whether the product can be married to the CalAHA-developed and offered lease-option-to-purchase program known as TRIO.

The operating year has shown that CalAHA's overhead runs about \$300,000 to \$400,000 per year. CalAHA's strategy is to use the approximately \$2.4 million in net proceeds from 2016's sale of Village Park Apartments, Brentwood, and 2018's sale of Manchester Apartments, San Leandro as working capital to carry the Agency far enough to generate positive cash flow from its development consulting and other operations.

California's demand for affordable housing and, in particular, creative affordable housing strategies and solutions, has never been greater. State markets are typically impacted, with many communities characterized as "high cost", where wages are insufficient to support housing prices. Interest rates are at historic lows, supporting financing initiatives. CalAHA, with its proven and flexible consultant-driven team, offering conduit financing, financial consulting services, a lease-option-to-purchase home ownership program, and real property development project management services, is uniquely situated to support affordable housing program and property development opportunities on behalf of its member PHA's. CalAHA is also moving to address/eliminate the cash flow loss from the Court of Fountains apartments. CalAHA is working with Aspen Real Estate Financial LLC (AREF) on a sale/lease of the property. In addition, CalAHA is working with AREF on member and non-member agency property acquisitions on a commission/fee basis.



CaliforniaAffordableHousingAgency

TO: CalAHA Executive Committee

**FROM: Nick Benjamin, Executive Director
6/14/2021**

SUBJECT: Resolution Authorizing CalAHA to act as Bond Issuer for Aspen Real Estate Financial LLC (individual transactions to be considered separately by Executive Committee)

After several months of discussion, idea exchange and financial modeling analysis, CalAHA has been approached by Aspen Real Estate Financial LLC (hereafter AREF) regarding acting as issuer/lessee for select affordable/workforce housing acquisitions in California. (request letter attached) The action requested is a general acceptance to act as issuer/lessee for AREF acquisitions in California. Each specific transaction will require board approval/resolution in order to be completed. The basic structure reviewed in our board retreat remains the same. It is a long term (40 year) lease whereby the lessee gains 2.5% ownership interest each year. Land owned by an agency member/agency can either be sold to or held and leased back to the new lessee.

To assist the board in their consideration of this request, I have detailed the process by way of main bullet points with information.

- Vetting of AREF structures and possible impacts to the guarantor: CalAHA enlisted the services of our longtime financial advisor Patrick Howard to evaluate potential impacts to a member agency who acts as guarantor AND evaluate the structure in general considering CalAHA participation. The findings/recommendations are attached for your review.



CaliforniaAffordableHousingAgency

His review was favorable. In addition, agency legal counsel Tom Lewis has also reviewed the transactions evaluating jurisdictional concerns of CalAHA members.

- Types of transactions that are/will be considered: The attached letter from AREF references CalAHA participation in an unrated/unguaranteed transaction. Thus far, AREF has received commitment from D A Davidson relative to unrated transactions. The normal fee for such transactions is 1% of the Net Present Value (NPV) of income from the project. (sample fee sheet is attached). Also available to CalAHA is rated deals which utilize a guarantor. The fee schedule for rated transactions is 2% NPV which will be split with the guarantor and CalAHA.

CalAHA Executive Director's Monthly Report

MONTH: May, 2021

Prepared by: Nick Benjamin- Executive Director

Summary of Activities Last Month:

Activity focused on assisting pending projects. (Foothill Terrace, Edwards Estates Phase2 and 1612) Work on the potential lease/sale of Court of Fountains continues. In addition, both Aspen and KH Equities are bringing forth properties for review. One such project was in the Oakland area and was forwarded to OHA staff for review. Both CalAHA consultants received UPCS training and certification.

CLIENT/PROJECTS AMOUNT	STATUS/ACTIVITY	EST. DOLLAR
HA Stanislaus County Edwards Estates: Modesto, CA 2-HOME units. Phase 2-33 for sale SFD	Phase I complete. Two HOME restricted un its sold 12/20. Design work on Phase 2 in progress. Scheduled for 4/19/2021 submittal to jurisdiction.	\$12.25M
HA Stanislaus County Bentley Estates: Waterford, CA 13-for sale SFD	Seeking new GC to negotiate Bid particulars. Revise loan structure.	\$5.2M
HA Stanislaus County Foothill Terrace: San Andreas, CA 30- 1bd. Units Workforce rental housing	Engineering site plan completed/Awaiting jurisdiction review. GC Bids should be received by 06/15/21, then structure finance.	\$3.9M
HA Stanislaus County	Hotel Acquisition and Rehabilitation (closed escrow 6/30/2020) Rehabilitation efforts in process. Completion of Phase 1 by 7/2021	\$21.5M
HA San Joaquin County Turnpike/Lodi Properties: San Joaquin County, ,CA	Member agency utilized another contract source. Other projects	

CalAHA Executive Director's Monthly Report

12-18 units of Workforce rental housing	remain in pipeline and possibilities for CalAHA.	
Butte County HA-Bond/Restructure	COMPLETED	\$9.35M
Butte County HA Fogg Ave. Oroville CA	Initial site plan and unit layout in progress. 17 small home units. *Moved to 2021 Target Year	\$3.2M