



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:

September 19, 2022 at 10:00 a.m.

<https://us06web.zoom.us/j/5600363167?pwd=RmZTR0NabzcrY0ZYQlZyYUd6blpwZz09>

Meeting ID: 560 036 3167
Passcode: 293018
Phone Number:
1(720) 707-2699

PUBLIC IS WELCOME

Anyone interested may attend.
You may attend this meeting by Zoom video call or teleconference at the information above.

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



CaliforniaAffordableHousingAgency

CERTIFICATION OF POSTING

The undersigned hereby acknowledges and declares that the attached Notice of Meeting and the Agenda for this meeting were duly posted in a location that was freely accessible to members of the public and at least seventy-two (72) hours before the time and date of the meeting.

DATE POSTED: _____
TIME POSTED: _____
LOCATION POSTED: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Dated: _____ Signed: _____

Print Name: _____

Print Title: _____

Print Name of Housing Authority: _____

Please **email** completed Certification to:

Tom Lewis at tom@lewislawca.com or fax to (209) 384-0003



CaliforniaAffordableHousingAgency

AGENDA

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

September 19, 2022

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.

Zoom

<https://us06web.zoom.us/j/5600363167?pwd=RmZTR0NabzcrY0ZYQlZyYUd6blpwZz09>

Meeting ID: 560 036 3167

Passcode: 293018

Phone Number:

1(720) 707-2699

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**

**815 W. Ocean Ave
Lompoc, CA 93436**

I. CALL TO ORDER AND ROLL

II. TELECONFERENCE MEETING AUTHORIZATION

RESOLUTION 2022-09

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE CONTINUANCE OF TELECONFERENCE MEETINGS AS PROVIDED FOR IN STATE OF CALIFORNIA ASSEMBLY BILL 361 AND GOVERNMENT CODE SECTION 54953

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

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

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

IV. APPROVAL OF MEETING MINUTES

None.

V. 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.

VI. FINANCIAL REPORT OF ADMINISTRATOR

Monthly Report

VII. RESOLUTION, ACTION AND INFORMATION ITEMS

A. RESOLUTIONS:

RESOLUTION 2022-10

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY APPROVING THE SALE OF THE COURT OF FOUNTAINS APARTMENTS 502 MERCEY SPRINGS ROAD LOS BANOS CA AND AUTHORIZING THE CHAIRPERSON, VICE CHAIRPERSON, SECRETARY AND/OR THEIR ASSIGNEE TO ENTER INTO A FINAL PURCHASE AND SALE AGREEMENT WITH J. ARTHUR PROPERTIES, LP/LLC AND/OR ASSIGNS AND FURTHER AUTHORIZING THE BOARD CHAIRPERSON AND/OR HIS ASSIGNEE TO TAKE NECESSARY ACTIONS TO FURTHER NEGOTIATE THE TERMS OF SALE AND TO COMPLETE THE SALE AND CLOSE OF ESCROW OF THIS PROPERTY AND DEFEASE THE SERIES 2018A BONDS

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

B. ACTION ITEMS:

None.

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.

VIII. CLOSED SESSION

None.

IX. DIRECTORS' COMMENTS

X. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS

(The second Monday of the month): October 10, 2022; November 14, 2022; December 12, 2022

XI. ADJOURNMENT

RESOLUTION 2022-09

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING THE CONTINUANCE OF VIRTUAL/TELECONFERENCE MEETINGS AS PROVIDED FOR IN STATE OF CALIFORNIA ASSEMBLY BILL 361 AND GOVERNMENT CODE SECTION 54953

WHEREAS, the California Affordable Housing Agency (the “Agency”) is a joint exercise of powers agency consisting of twenty California housing authorities located throughout California; and

WHEREAS, the Agency is authorized pursuant to Chapter 1 Part 2 of Division 24 of the Health and Safety Code of the State of California (the “Act”) to issue bonds and/or finance loans and mortgages for the purpose of acquiring multifamily rental housing facilities and single family housing units to be located within any area of operation of the Agency or where a local housing authority, or other housing agency provides the Agency with a cooperative agreement to operate in the entity’s jurisdiction; and

WHEREAS, the Agency is also authorized to purchase and sell real property when the Agency deems any such purchase or sale to be appropriate; and

WHEREAS, California Affordable Housing Agency has made virtual/teleconference meetings possible due to COVID-19 and changes to the Brown Act issued by Executive Order N-29-20 from Governor Gavin Newsom; and

WHEREAS, California State Assembly Bill 361 amends the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment, for all local agencies; and

WHEREAS, California State Assembly Bill 361 extends the provisions of the Governor’s Executive Order N-29-20, signed March 17, 2020 and Executive Order N-35-20 signed March 21, 2020 until January 1, 2024; and

WHEREAS, California State Assembly Bill 361 and Government Code Section 54953 authorizes a local agency to use virtual/teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency; and

WHEREAS, a state of emergency is defined when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the California Affordable Housing Agency as follows:

1. The above stated recitals are true and correct.
2. Virtual and/or teleconference meetings will continue to be utilized as in so much as declared in Assembly bill 361 and the provisions of Government Code Section 54953.
3. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 19th Day of September, 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Directors
California Affordable Housing Agency

Attest:

Secretary, Board of Directors
California Affordable Housing Agency

CALIFORNIA AFFORDABLE HOUSING AGENCY JPA
COMPILED FINANCIAL STATEMENTS
July 2022

Grey B. Roberts & Co.
2824 Park Avenue, Suite B
Merced, CA 95348

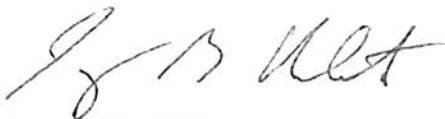
GREY B. ROBERTS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
2824 PARK AVENUE, SUITE B
MERCED, CALIFORNIA 95348
(209) 383-2442

Board of Directors
California Affordable Housing Agency JPA

We have compiled the accompanying cash basis statement of net assets of the general fund of California Affordable Housing Agency JPA as of July 31, 2022, and the related cash basis statement of activities for the seven months ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all the disclosures and the Statement of Cash Flows required by generally accepted accounting principles. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



August 12, 2022

California Affordable Housing Agency
Balance Sheet
As of July 31, 2022

| | <u>Jul 31, 22</u> |
|--|----------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Cash | 42,000.00 |
| WestAmerica | -2.00 |
| Mechanics Bank Checking | 102,107.59 |
| Mechanics Money Market | 195,595.27 |
| Court of Fountains Supplemental | 1,390.56 |
| Court of Fountains Main Reserve | 59,575.53 |
| F & M Bank - Checking | 47,994.58 |
| F & M Bank - Money Market | 207,880.58 |
| Total Checking/Savings | <u>656,542.11</u> |
| Other Current Assets | |
| Accounts Receivable | |
| Housing Assistance Receivable | 16,768.00 |
| Ben Harvy Investments, LLC | 50,097.33 |
| A/R Foothill Terrace | 45,000.00 |
| A/R Court of Fountains | 102,220.00 |
| Accounts Receivable - Other | 2,663.84 |
| Total Accounts Receivable | <u>216,749.17</u> |
| Intercompany Due To | 13,436.17 |
| Prepaid Insurance | 6,810.36 |
| Tenant Security Deposits | 21,035.00 |
| Mortgage Escrow Deposits | -854.29 |
| Other Reserves | 437,903.59 |
| Total Other Current Assets | <u>695,080.00</u> |
| Total Current Assets | <u>1,351,622.11</u> |
| Fixed Assets | |
| Land Olive Tree Apartments | 110,000.00 |
| Buildings and Improvements | 1,333,018.03 |
| Depreciation Building and Improvements | -381,594.00 |
| Total Fixed Assets | <u>1,061,424.03</u> |
| Other Assets | |
| AHA Organizational Costs | 21,902.48 |
| Accum Amort of Costs | -21,902.48 |
| Bond and loan fees | 173,999.52 |
| Accumulated amortizations | -37,539.52 |
| Total Other Assets | <u>136,460.00</u> |
| TOTAL ASSETS | <u><u>2,549,506.14</u></u> |

See accountants' report and notes to financial statements

California Affordable Housing Agency
Balance Sheet
As of July 31, 2022

Jul 31, 22

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 39,981.82

Total Accounts Payable 39,981.82

Other Current Liabilities

Accrued Interest 27,324.00

Deposit 154,900.00

Direct Deposit Liabilities 50,000.00

Tenant Security Deposits (L) 12,057.00

Series 2004A Bonds 20,000.00

U. S. Dept of Ag Note Payable 1,299.00

Series 2009A Bonds -8,333.34

LT Portion of Bonds Payable 760,684.00

Current Portion of Notes Pay 215,280.00

LT Portion of Notes Payable 980,447.00

Issuer Holding Acct 296,884.00

Total Other Current Liabilities 2,510,541.66

Total Current Liabilities 2,550,523.48

Total Liabilities 2,550,523.48

Equity

Change in Net Assets -45,285.00

Unrestricted Net Assets -819,602.00

Restricted Net Assets 776,639.00

Owner Contributions 175,000.00

Fund Balance 237,135.47

Net Income -324,904.81

Total Equity -1,017.34

TOTAL LIABILITIES & EQUITY 2,549,506.14

See accountants' report and notes to financial statements

California Affordable Housing Agency
Profit & Loss
January through July 2022

| | <u>Jan - Jul 22</u> |
|-----------------------------|---------------------|
| Ordinary Income/Expense | |
| Income | |
| Annual Issuer's Fee | 6,302.00 |
| Other Income | 3,007.33 |
| Total Income | 9,309.33 |
| Expense | |
| Administrative Expenses | 2,450.00 |
| Operation and Maintenance | 6,518.49 |
| Bank fees/wires | 733.43 |
| Insurance Expense | 12,233.84 |
| Accounting & Auditing Fee | 3,856.00 |
| Legal Expense | 181,372.18 |
| Training & Travel | 5,856.69 |
| Contract Costs | 94,500.00 |
| Office Supplies | 348.75 |
| Office Rent | 6,000.00 |
| Other Administrative Costs | 12,000.00 |
| Website & Internet Expenses | 355.05 |
| Annual Retreat/Conference | 7,680.90 |
| Dues & Memberships | 149.00 |
| Taxes | 218.16 |
| Total Expense | 334,272.49 |
| Net Ordinary Income | -324,963.16 |
| Other Income/Expense | |
| Other Income | |
| Interest Income | 58.35 |
| Total Other Income | 58.35 |
| Net Other Income | 58.35 |
| Net Income | -324,904.81 |

See accountants' report and notes to financial statements



CaliforniaAffordableHousingAgency

MEMORANDUM

July 11, 2022

TO: CalAHA Executive Committee

FROM: Nick Benjamin, Executive Director

SUBJECT: Board Resolution and Final Approval for the sale of the Court of Fountains apartment complex. Consideration of Resolution # 2022-10

In the regular board meeting of July 11, 2022, the board approved proceeding with the sale of the Court of Fountains apartment complex by enlisting the brokerage services of Marcus & Millichap. Subsequently, the property was marketed and received good interest. One offer was selected as most credible. The offer was for \$6.7M. CalAHA countered at \$6.75M and the counter was accepted.

Escrow was opened and the due diligence process from the buyer was initiated. During the physical inspection, an original construction defect (drain line from upstairs shower connection) was discovered. The buyer requested a seller credit of \$1,000 per unit (\$33,000 total) for repair of the defect. CalAHA agreed and the amended purchase price of \$6, 717,000 resulted (an Escrow Timeline is attached).

In addition to the brokerage activity, CalAHA engaged the services of our longtime bond counsel, Julie Wunderlich of Jones Hall to coordinate notice to the bondholder of intent to pay off the bond on 11/1/2022 call date as well as setting up necessary escrow accounts to retain and distribute funds on the 11/1/2022 call date. The lone remaining contingency is the loan or financing for the buyer. The deadline for removal of this contingency is 9/30/2022. It is our current understanding that the loan process is moving along well. A final settlement estimate is shown below for your information.



RECOMMENDATION: I recommend that the Executive Committee approve Resolution # 2022-10 Allowing for the sale of the Court of Fountains apartment complex to proceed to completion.

ESTIMATED PROCEEDS-Court of Fountains Sale

Final Sales Price- \$6,717,000

Real Estate Commission-\$268,680

Remaining-\$6,448,320

Bond Payoff with premium penalty-\$5,400,000

Remaining \$1,048,320

Less Bond Counsel Fees \$10,000

Remaining \$1,038,320 PLUS (\$59,000 retained trustee reserves \$331,000 project reserves)

Net to CalAHA from Sale- \$1,428,320

ESCROW TIMELINE

| Property: Court of Fountains | | Effective Date: Tuesday, August 16, 2022 | | |
|--|--------------------------|--|-----------|-----------|
| Transaction Event | Seller Due Date | Buyer Due Date | Completed | Paragraph |
| Open Escrow & Provide Purchase Agreement | | Thursday, August 18, 2022 | X | 4.1 |
| Earnest Money Deposit Due - \$50,000 | | Thursday, August 18, 2022 | | 4.1 |
| Inspection/DD Contingencies Removal | | Tuesday, September 6, 2022 | | 9.1 |
| Additional Deposit - \$151,000 | | Monday, September 12, 2022 | | 4.2(b) |
| Financing & Appraisal Contingencies | | Friday, September 30, 2022 | | 5.2 |
| Closing Date | Monday, October 17, 2022 | | | 1 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Yellow = Important Dates | | | | |

Contacts:

| Agent | | | | |
|---------------------------------------|---------------|--|----------------|----------------|
| Name/Company | Role | Email Address | Cell Number | Office Number |
| Aaron Moayed - Marcus & Millichap | Listing Agent | Aaron.Moayed@marcusmillichap.com | (916) 212-9809 | (916) 724-1324 |
| Isaak Heitzeberg - Marcus & Millichap | Listing Agent | Isaak.Heitzeberg@marcusmillichap.com | (916) 204-9804 | - |

Property Management

| Name / Company | Role | Email Address | Cell Number | Office Number |
|----------------|------------------------------|--|-------------|----------------|
| Veronica | On-Site Property Manager | fountains@trilar.com | | (209) 829-3010 |
| Lisa Ricks | Regional Property Supervisor | lisa@ctm-as.com | | (619) 710-9307 |

Title/Escrow

| Name / Company | Role | Email Address | Cell Number | Office Number |
|---|----------------|--|-------------|---------------|
| Michelle Santiago - Chicago Title Company | Escrow Officer | michelle.santiago@ctt.com | - | 408-354-6737 |

Escrow#: 3021220975

RESOLUTION 2022-10

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY APPROVING THE SALE OF THE COURT OF FOUNTAINS APARTMENTS 502 MERCY SPRINGS ROAD LOS BANOS CA AND AUTHORIZING THE CHAIRPERSON, VICE CHAIRPERSON, SECRETARY AND/OR THEIR ASSIGNEE TO ENTER INTO A FINAL PURCHASE AND SALE AGREEMENT WITH J. ARTHUR PROPERTIES, LP/LLC AND/OR ASSIGNS AND FURTHER AUTHORIZING THE BOARD CHAIRPERSON AND/OR HIS ASSIGNEE TO TAKE NECESSARY ACTIONS TO FURTHER NEGOTIATE THE TERMS OF SALE AND TO COMPLETE THE SALE AND CLOSE OF ESCROW OF THIS PROPERTY AND DEFEASE THE SERIES 2018A BONDS

WHEREAS, the California Affordable Housing Agency (the "Agency") is a joint exercise of powers agency consisting of twenty California housing authorities located throughout California; and

WHEREAS, the Agency is authorized pursuant to Chapter 1 Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue bonds and/or finance loans and mortgages for the purpose of acquiring multifamily rental housing facilities and single-family housing units to be located within any area of operation of the Agency or where a local housing authority provides the Agency with a cooperative agreement to operate in the local housing authority's jurisdiction; and

WHEREAS, the Agency is also authorized to sell its property when the Agency deems any such sale to be appropriate; and

WHEREAS, in order to provide funds to finance the refinancing of a 34-unit multifamily housing project known as Court of Fountains Apartments, located at 502 Mercy Springs Road Los Banos, CA in the County of Merced (the "Project"), by the Agency issued its California Affordable Housing Agency Multifamily Housing Revenue Refunding Bonds (Court of Fountains Apartments) Series 2018A in the original principal amount of \$5,485,000 ("Bonds"); and

WHEREAS, the Executive Committee of the Agency authorized the listing of the Project for sale; and

WHEREAS, the Agency entered into a Purchase and Sale Agreement and Addendum #1 (the "Sale Agreement") with J. Arthur Properties, LP/LLC and/or assigns for the Court of Fountains Project on or about August 1, 2022, based on the authority previously given to the Board Chair; and

WHEREAS, the escrow for the proposed sale is currently scheduled to close on or before October 17, 2022 and the Executive Committee needs to approve the Sales Agreement and to also provide the Chair with authority to further negotiate, if necessary, and take actions to complete the sale and close of escrow on behalf of the Agency.

NOW THEREFORE, BE IT RESOLVED as follows:

1. The Agency hereby finds and declares that the above recitals are true and correct.
2. The Executive Committee does hereby approve the Standard Offer, Agreement and Escrow Instructions for Purchase of Residential Income Properties Agreement dated August 1, 2022 and the 1st Amendment to said Agreement (reducing the sales price in the August 1, 2022 Agreement by \$33,000) and further authorize its Board Chairperson, Vice Chairperson, Secretary and/or their assignee to further negotiate, as necessary, the terms and conditions of the Agreement and to take all reasonable and necessary actions to complete the sale of Court of Fountains Apartments to J. Arthur Properties, LP/LLC and/or Assigns and close the escrow for the sale of the Court of Fountains Apartments at 502 Mercey Springs Road Los Banos, Merced County, CA.
3. The Chairperson, Vice Chairperson, Secretary and/or their Assign are authorized to take all reasonable and necessary actions to defease the California Affordable Housing Agency Multifamily Housing Revenue Refunding Bonds (Court of Fountains) Series 2018A bonds.
4. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED ON THE 19TH DAY OF SEPTEMBER 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Directors
California Affordable Housing Agency

Attest:

Secretary, Board of Directors



CaliforniaAffordableHousingAgency

MEMORANDUM

September 19, 2022

TO: CalAHA Executive Committee

FROM: Nick Benjamin, Executive Director

SUBJECT: CalAHA Participation in Valencia Properties-Vallejo, California in partnership with Aspen Real Estate Financial LLC (AREF)

Attached for your review is the property information for the Valencia properties in Vallejo, California. As you are aware, Vallejo is a member agency of the JPA. Outreach efforts to connect with their current Executive Director Judy Shephard-Hall are in progress. A call for offers for the properties requires receipt of all offers on or by September 21, 2022.

RECOMMENDATION: The Executive Committee approve the participation of CalAHA in the Valencia Properties in partnership with AREF LLC.

