



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:

October 10 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.



California Affordable Housing Agency

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**

October 10, 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 2022-11

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

1. Minutes of July 11, 2022

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

2. Minutes of September 19, 2022

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

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 – August 2022

VII. RESOLUTION, ACTION AND INFORMATION ITEMS

A. RESOLUTIONS:

RESOLUTION 2022-12

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT, DECLARING ITS INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS, AND AUTHORIZING RELATED ACTIONS

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

B. ACTION ITEMS:

None.

C. INFORMATION/DISCUSSION ITEM(S)

1. Executive Director's Report
2. Consideration of a partnership/bond issuance with Housing Trust Placer;
3. Current update on Trio Program;
4. Current update on prospective projects and financings;
5. 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): November 14, 2022; December 12, 2022

XI. ADJOURNMENT

RESOLUTION 2022-11

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 10th Day of October, 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Directors
California Affordable Housing Agency

Attest:

Secretary, Board of Directors
California Affordable Housing Agency



CaliforniaAffordableHousingAgency

MINUTES

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

July 11, 2022
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 Bob Havlicek at 10:03a.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. Bob Havlicek, Chairperson and Executive Director, Housing Authority of the County of Santa Barbara
2. Jim Kruse, Vice Chair and Executive Director, Stanislaus Regional Housing Authority
3. Kirk Mann, Secretary/Treasurer and Executive Director, Imperial Valley Housing Authority
4. Michael Nigh, Executive Director, Housing Authority of the County of Ventura

Absent:

5. Ed Mayer, Executive Director, Housing Authority of the County of Butte

Others Present:

6. Thomas E. Lewis, General Counsel
7. Nick Benjamin, Executive Director - CalAHA
8. Julie Wunderlich, Bond Counsel, Jones Hall

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(209) 384-0001



9. Patrick Howard, Founding Member, Evergreen Pacific Capital
10. Gus Joslin, Deputy Executive Director, Housing Authority of the County of San Bernardino

II. Teleconference Meeting Authorization

RESOLUTION 2022-07

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

(M/S/C): K. Mann/M. Nigh - Motion to approve
Approved: 4-0-1

III. Directors' and/or Agency Additions/Deletions to the Agenda:

(M/S/C): J. Kruse/M. Nigh -Motion to approve
Approved: 4-0-1

IV. Approval of the Minutes:

Minutes of May 9, 2022

(M/S/C): M. Nigh/K. Mann – Motion to approve minutes as presented.
Approved: 4-0-1

V. Unscheduled Oral Communication:

None.

VI. FINANCIAL REPORT OF ADMINISTRATOR:

Nick Benjamin gave a short overview of the current financials. Mr. Benjamin indicated that CalAHA currently has about \$800,000 in cash.

VII. RESOLUTION, ACTION AND INFORMATION/DISCUSSION ITEMS:

A. RESOLUTION ITEMS:

RESOLUTION NO. 2022-08

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNADINO AS A FULL VOTING AND PARTICIPATING MEMBER OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY

(M/S/C): J. Kruse/K. Mann – Motion to approve

Approved: 4-0-1

B. ACTION ITEMS:

None.

C. INFORMATION/DISCUSSION ITEMS.

1. Executive Director's Report – Mr. Benjamin provided a draft budget model and format for the board to review and provide feedback. Mr. Mann suggested to include year to date numbers to the model.
2. Current update on Trio Program: Mr. Howard indicated that things are moving forward again with new lenders. Land Home is no longer engaged in the program.
3. Current update on prospective projects and financings: Mr. Benjamin indicated that Aspen (AREF) is very active now with 1 deal in San Bernardino, 3 in Oakland and 1 in Milpitas. Mr. Benjamin indicated that there are prospective projects in the City of Ventura (Yolo East and Yolo West) that AREF is pursuing.
4. Current update on member projects and administrative matters: Mr. Benjamin indicated that Edwards Estates phase II with Stan Regional is ramping up.

VIII. CLOSED SESSION:

1. Conference call with North Property Negotiators (Government Code Section 54956.8) One Property: 502 Mercey Springs Road Los Banos, CA

Motion to go to closed session at 10:25 am.

The Board got out of closed session at 10:41 am and reported no reportable action taken.

IX. DIRECTORS' COMMENTS:

None.

X. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS:

(The second Monday of the month):

August 8, 2022; September 12, 2022; October 10, 2022; November 14, 2022;
December 12, 2022

XI. ADJOURNMENT:

Meeting adjourned @ 10:45 am.

(M/S/C): M. Nigh/J. Kruse - Motion to approve
Approved: 4-0-1

Secretary

Date



CaliforniaAffordableHousingAgency

MINUTES

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

September 19, 2022
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 Bob Havlicek at 10:01a.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. Bob Havlicek, Chairperson and Executive Director, Housing Authority of the County of Santa Barbara
2. Jim Kruse, Vice Chair and Executive Director, Stanislaus Regional Housing Authority
3. Kirk Mann, Secretary/Treasurer and Executive Director, Imperial Valley Housing Authority
4. Ed Mayer, Executive Director, Housing Authority of the County of Butte

Absent:

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

Others Present:

6. Thomas E. Lewis, General Counsel
7. Nick Benjamin, Executive Director - CalAHA

806 West 19th Street, Merced, CA 95340
(209) 384-0001



8. Julie Wunderlich, Bond Counsel, Jones Hall
9. Kimberly Ryan, Stanislaus Regional Housing Authority
10. Kao Xiong, Law Office of Thomas E. Lewis

II. Teleconference Meeting Authorization

RESOLUTION 2022-09

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

(M/S/C): E. Mayer/J. Kruse - Motion to approve
Approved: 4-1

III. Directors' and/or Agency Additions/Deletions to the Agenda:

(M/S/C): E. Mayer/K. Mann -Motion to approve
Approved: 4-1

IV. Approval of the Minutes:

None.

V. Unscheduled Oral Communication:

None.

VI. FINANCIAL REPORT OF ADMINISTRATOR:

Nick Benjamin gave a short overview of the current financials. Mr. Benjamin indicated that CalAHA is getting ready to close escrow on Court of Fountains but will discuss this later under resolution section.

Ed Mayer indicated that he noticed that the last three years, CalAHA's cash assets has been decreasing. The agency started with approximately 3 million. CalAHA will need to start looking at other sources of income. Mr. Lewis indicated that CalAHA has always done well acquiring properties in the past. CalAHA took over Manchester Apartments and Village Park projects which were not doing that well at the time. CalAHA was able to sell and make money from those projects and recommends CalAHA look into purchasing more properties to provide operating capitol for the future.

VII. RESOLUTION, ACTION AND INFORMATION/DISCUSSION ITEMS:

A. RESOLUTION ITEMS:

RESOLUTION NO. 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

Mr. Mayer gave a brief history of Court of Fountains. He indicated that this project was intended to be a condominium structure through Trio Program, however there were issues going forward. The project wasn't bringing in income for the agency, nor was it losing money so it is a good time to sell since there is a good offer and a good buyer. Mr. Benjamin indicated that it is a good time to sell this project as Mr. Mayer indicated during the financial discussion. CalAHA's efforts was always to keep this project affordable. Court of Fountains is well below market on rent. Mr. Mayer asked if Court of Fountains will still be restricted to affordable housing once it is sold or will it go to the open market? Mr. Benjamin confirmed that it is going to the open market.

(M/S/C): E. Mayer/J. Kruse – Motion to approve
Approved: 4-1

B. ACTION ITEMS:

None.

C. INFORMATION/DISCUSSION ITEMS.

1. Executive Director's Report – Mr. Benjamin indicated that he received another project from Aspen Real Estate Financials (AREF). The project is based in Vallejo, CA called the Valencia and Valencia Terrace. Mr. Benjamin

has been attempting to reach out to Vallejo Housing Authority Executive Director, Judy Shephard-Hall to see if she is interested in participating. The project has 144 units total. AREF is going to submit an offer on Wednesday September 21, 2022. Mr. Benjamin wanted to bring this to the board as an information action item to see if the board will consider. Mr. Lewis indicated that Mr. Benjamin is asking for directions to move forward. Mr. Mayer asked if CalAHA will be the bond issuer or partnership to operate. Mr. Benjamin indicated that CalAHA will be the bond issuer and lessee with the possibility of Vallejo Housing Authority should they choose to participate. Mr. Mayer indicated that this will be a standard AREF deal where CalAHA will be the bond issuer and lessee in which CalAHA will lease out and operate and after 40 years, CalAHA will own the project.

Mr. Benjamin indicated that AREF drafted a serious offer and is waiting on final underwriting with DA Davidson. Mr. Benjamin stated that CalAHA's mission has always been affordable housing and by capturing these 144 units which are market rate, we'll try converting it to a blended 80% of area median income rent level. The board stated their support to move forward with this project.

2. Current update on Trio Program: None.
3. Current update on prospective projects and financings: Mr. Havlicek indicated that HACLA is in the process of doing project with Bridge Housing utilizing pension funds assets for the deal. He will try to learn more about it and pass on the information.
4. Current update on member projects and administrative matters: None.

VIII. CLOSED SESSION:

None.

IX. DIRECTORS' COMMENTS:

None.

X. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS:

(The second Monday of the month):

10, 2022; November 14, 2022; December 12, 2022

XI. ADJOURNMENT:

Meeting adjourned @ 10:44 am.

(M/S/C): E. Mayer/B. Havlicek -Motion to approve
Approved: 4-1

Secretary

Date

CALIFORNIA AFFORDABLE HOUSING AGENCY JPA
COMPILED FINANCIAL STATEMENTS
August 2022

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

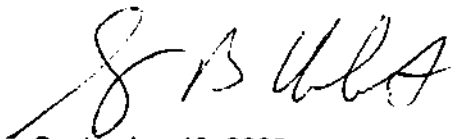
GREY B. ROBERTS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
2824 PARK AVENUE, SUITE 8
MERCED, CALIFORNIA 95348
(209) 383-2442

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 August 31, 2022, and the related cash basis statement of activities for the eight 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.



September 19, 2022

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

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Cash	42,000.00
Mechanics Bank Checking	73,029.05
Mechanics Money Market	194,481.43
Court of Fountains Supplemental	1,390.56
Court of Fountains Main Reserve	59,576.61
F & M Bank - Checking	45,694.85
F & M Bank - Money Market	207,889.41
Total Checking/Savings	624,061.91
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	117,220.00
Accounts Receivable - Other	2,663.84
Total Accounts Receivable	231,749.17
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	710,080.00
Total Current Assets	1,334,141.91
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	1,061,424.03
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	136,460.00
TOTAL ASSETS	2,532,025.94

See accountants' report and notes to financial statements

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

	<u>Aug 31, 22</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	39,981.82
Total Accounts Payable	<u>39,981.82</u>
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	<u>2,510,541.66</u>
Total Current Liabilities	<u>2,550,523.48</u>
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	-342,385.01
Total Equity	<u>-18,497.54</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,532,025.94</u></u>

See accountants' report and notes to financial statements

California Affordable Housing Agency
Profit & Loss
January through August 2022

	Jan - Aug 22
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	750.67
Insurance Expense	12,233.84
Accounting & Auditing Fee	4,416.00
Legal Expense	181,372.18
Training & Travel	6,161.07
Contract Costs	108,000.00
Office Supplies	348.75
Office Rent	7,000.00
Other Administrative Costs	12,000.00
Website & Internet Expenses	455.40
Annual Retreat/Conference	8,006.80
Dues & Memberships	1,044.00
Conference fees	795.00
Taxes	218.16
Total Expense	351,770.36
Net Ordinary Income	-342,461.03
Other Income/Expense	
Other Income	
Interest Income	76.02
Total Other Income	76.02
Net Other Income	76.02
Net Income	-342,385.01

See accountants' report and notes to financial statements



California Affordable Housing Agency

MEMORANDUM

October 10, 2022

TO: CalAHA Executive Committee

FROM: Nick Benjamin, Executive Director

SUBJECT: Consideration of a resolution approving CalAHA participation (as bond issuer and lessee) in the Valencia Apartments located in Vallejo, California, and authorizing the Executive Director to enter into agreements necessary for completion of the transaction (DA Davidson, Bond Underwriter, Kutak Rock, Bond Counsel).

The offer submitted on the 144-unit Valencia Apartments in Vallejo by Aspen Real Estate Financial LLC (AREF) has been tentatively accepted and the transaction process is ready to commence in earnest. I have reattached the property offering as information and also provided the initial underwriting summary provided by AREF.



RESOLUTION NO. 2022-12

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT, DECLARING ITS INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS, AND AUTHORIZING RELATED ACTIONS

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1-4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, certain public agencies have entered into a joint exercise of powers agreement, dated as of March 1, 2001, as amended, pursuant to which the California Affordable Housing Agency (the "Agency") was organized; and

WHEREAS, pursuant to Articles 1 through 5 of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, the Agency is authorized to issue revenue obligations in order to finance the acquisition, construction and/or rehabilitation and development of multifamily projects for persons and families of low and very low income residing within the jurisdiction of the Agency; and

WHEREAS, Aspen Real Estate Financial LLC ("AREF"), or an affiliate thereof, has proposed to enter into a Lease Agreement with the Agency, such that the Agency would acquire a leasehold interest in an 80-unit multifamily rental housing development located at 1101 North Camino Alto in the City of Vallejo, California to be known as The Valencia (the "Project") to be owned by the Agency and operated as workforce housing; and

WHEREAS, the Agency expects to incur or pay from its own funds certain expenditures in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, subject to meeting all the conditions set forth in this Resolution, the Agency reasonably expects that debt obligations in an amount of approximately \$_____ (the "Bonds") will be issued and that certain of the proceeds of the Bonds will be used to reimburse the Agency for its prior expenditures for the Project; and

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

WHEREAS, the Agency now desires to so declare its intent to issue the Bonds, subject to the conditions described below, and to authorize certain actions related thereto.

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

Section 1. The Agency finds and determines that the foregoing recitals are true and correct.

Section 2. The Agency hereby declares its official intent to issue, at one time or from time to time, an aggregate of up to \$_____ principal amount of the Bonds the proceeds of which are to be loaned to the Agency to finance the costs of acquisition of a leasehold interest in the Project by the Agency; including for the purpose of reimbursing to the Agency costs incurred for the Project prior to the issuance of the Bonds.

Section 3. The Bonds will be payable solely from the revenues of the Project and other authorized revenues pursuant to a loan agreement or other agreements to be entered into between the Agency and the Borrower in connection with the financing of the Project.

Section 4. The issuance of the Bonds is subject to the following conditions: (a) the Agency and HACLA shall have entered into a cooperative agreement, (b) the Agency and AREF shall have first agreed to mutually acceptable terms for the acquisition of the Project under a leasehold interest, (c) the Agency shall have agreed to terms for execution and delivery of the Bonds, and mutually acceptable terms and conditions of the Bond indenture, and other related documents for the financing of the Project; (b) all requisite governmental approvals shall have first been obtained; and (c) a resolution approving the financing documents to which the Agency will be a party shall have been adopted by the Board of Directors of the Agency.

Section 5. It is intended that this Resolution shall constitute "some other similar official action" towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 6. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 10th day of October 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Directors
California Affordable Housing Agency

Attest:

Secretary, Board of Directors
California Affordable Housing Agency

Exhibit 11 Local Market Rental Comps

THE Valencia Apts analysis [80 units]

Rent Comps:		1 BR 1 Bedrm	1 BR Sq.Ft.	2 BR 2 Bedrm	2 BR Sq.Ft.	3 BR 3 Bedrm	3 BR Sq.Ft.	4 BR 4 Bedrm	4 BR Sq.Ft.
Waterview Lodge	801 Southampton 5500 Eucalyptus	\$ 2,606	792	\$ 3,127	1,041				
Seabridge	1 Spyglass								
Bay Village	1107 Porter	\$ 1,962	704						
Club Pacifica	1300 Southampton	\$ 2,210	716	\$ 2,632	923				
Sundance									
Meritage	55 Valle Vista								
Sterling	150 Rankin	\$ 2,316	814	\$ 2,649	1,041				
Sterling Village	88 Valle Vista	\$ 1,996	804	\$ 2,527	1,102				
MARKET RENTS & SIZES (Average)		\$ 2,218	766	\$ 2,733	1,027	\$ -	N/A	\$ -	N/A
			\$2.90		\$2.66				
Existing / Subj Prop.		\$ 1,829	780	\$ 2,148	1,040				
		▼ 80% Of Market		▼ 80% Of Market					
Moderate Income (Workforce) REDUCED RENT		\$ 1,772	\$2.27	\$ 2,176	\$2.09				
Rent Savings Ave @ 87% of AMI vs. Market		\$ 446	\$0.62						
Rent Savings Ave @ 89% of AMI vs. Market				\$ 557	\$0.57				
						\$ -		\$ -	
Moderate Income (Workforce):		▼	psf 2 Mrkt	▼	psf 2 Mrkt				
AREF REDUCED RENTS as a % to Market Rents:		80%	78%	80%	79%	0%		0%	

Exhibit 12
Rental Growth & Savings

THE Valencia Apts
analysis [80 units]

MONTHLY Tenant Rental Saving over Market

1 Bedrm				2 Bedrm				3 Bedrm				4 Bedrm			
	CPI	CPI	Monthly		CPI	CPI	Monthly		CPI	CPI	Monthly		CPI	CPI	Monthly
Yr	W.H.	Mrkt	Savings	Yr	W.H.	Mrkt	Savings	Yr	W.H.	Mrkt	Savings	Yr	W.H.	Mrkt	Savings
	3.23%	3.23%	p/ unit		3.23%	3.23%	p/ unit		3.23%	3.23%	p/ unit		3.23%	3.23%	p/ unit
1	1,772	2,218	446	1	2,176	2,733	557	1				1			
2	1,829	2,290	460	2	2,246	2,821	575	2				2			
3	1,888	2,364	475	3	2,319	2,912	594	3				3			
4	1,949	2,440	491	4	2,394	3,006	613	4				4			
5	2,012	2,519	506	5	2,471	3,104	633	5				5			
6	2,077	2,600	523	6	2,551	3,204	653	6				6			
7	2,144	2,684	540	7	2,633	3,307	674	7				7			
8	2,214	2,771	557	8	2,718	3,414	696	8				8			
9	2,285	2,860	575	9	2,806	3,524	718	9				9			
10	2,359	2,953	594	10	2,897	3,638	741	10				10			
11	2,435	3,048	613	11	2,990	3,756	765	11				11			
12	2,514	3,146	633	12	3,087	3,877	790	12				12			
13	2,595	3,248	653	13	3,187	4,002	816	13				13			
14	2,679	3,353	674	14	3,290	4,132	842	14				14			
15	2,765	3,461	696	15	3,396	4,265	869	15				15			
16	2,855	3,573	718	16	3,505	4,403	897	16				16			
17	2,947	3,689	742	17	3,619	4,545	926	17				17			
18	3,042	3,808	766	18	3,736	4,692	956	18				18			
19	3,140	3,931	790	19	3,856	4,843	987	19				19			
20	3,242	4,058	816	20	3,981	5,000	1,019	20				20			

Note: (1) The Workforce Housing 'WH' 3.23% represents the AREF Proforma of 3.23% FIXED yearly increases.

Note: (2) The Market Rent increases 3.23% for this analysis HOWEVER California's maximum allowable yearly increases is 5% PLUS the Local CPI with a cap of 10% total. The Schedule above reflects the Workforce AREF local tenants MONTHLY SAVINGS over the next decade.

Exhibit 13 1st Loss Reserve

THE Valencia Apts
analysis [80 units]

CASH Reserve Funded @ Closing (Guarantor Discretionary Fund)

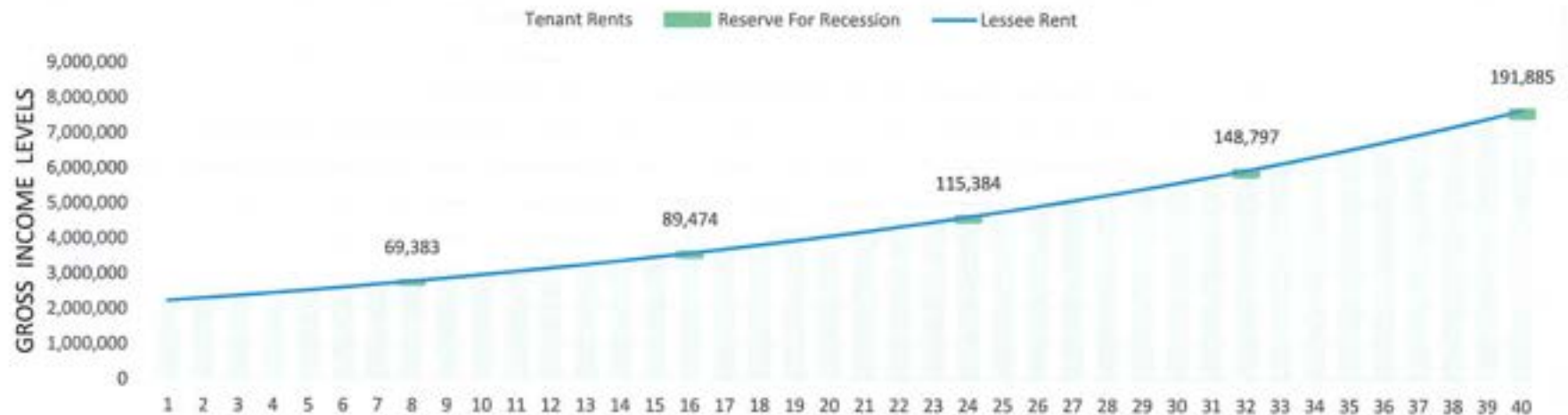
Lessee Risk Management:

Lessor will provide funds at closing to cover multiple market downturns. This reserve is essentially an Operating Deficit Reserve. In the event of rental loss the Lessee can draw on the reserves.

Assumptions:

Recession Vacancy Max 10% (incl. the std. vac %)* with a frequency of approx. every 8 years.
Max Vacancy Duration lasts 6 months.

* (Funds the 5% Vacancies above the normal 5%)



Funds the 5% Vacancy above the normal 5%

Funds the 5% Vacancy above the normal 5%			Upfront Funding for shortfall		Shortfall To Cover	
Recession in year	8	of cycle	Years 1 - 8	59,217 -----grows 2%----->	69,383	
Recession in year	16	of cycle	Years 9 - 16	65,177 -----grows 2%----->	89,474	
Recession in year	24	of cycle	Years 17 - 24	71,737 -----grows 2%----->	115,384	
Recession in year	32	of cycle	Years 25 - 32	78,957 -----grows 2%----->	148,797	
Recession in year	40	of cycle	Years 33 - 40	86,903 -----grows 2%----->	191,885	

Trustee (AREF) Provided Reserve: 361,990

Since 1981 there have been 5 recessions lasting on average of ~12 months with frequencies of ~8 years. Assumption: the down & up cycles last half of the 12 months.

Exhibit 29
Future Value

THE Valencia Apts
bond analysis

PRO FORMA VALUE AT DESIGNATED PERIOD

B.O. Year	NOI (Rent)	Cap Rate	Gross Value	Closing Cost	Proj Tab 0 Mos		Net Value	50.00% of Net Value
					Loss of Rent	Tl p/Unit		
29	3,429,693	6.00%	57,161,555	0	0	0	57,161,555	28,580,777

PV P/Key: 329,968

%/FV P/Key: 357,260

PRO FORMA VALUE AT REFI PERIOD

B.O. Year	NOI (Rent)	Cap Rate	Gross Value	Closing Cost	Tl p/Unit	Net Value	100.00% of Net Value



1101 NORTH CAMINO ALTO
VALLEJO, CA 94589



O F F E R I N G M E M O R A N D U M



154 RICHARDSON DRIVE
VALLEJO, CA 94589



EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

VALUE-ADD OPPORTUNITY

THE VALENCIA

Highest achieved leases at the property demonstrate that there is immediate rental upside of approximately 16%. One-bedroom units average \$1,810 where recently executed leases have achieved nearly \$2,000. Two-bedroom units average \$2,168 where recently executed leases achieved \$2,600. There is additional upside opportunity if a buyer were to add washer/dryer in-unit. All units at the Valencia have been renovated with hard-surface counters, updated cabinetry, stainless-steel appliances, upgraded hardware package, and much more.

VALENCIA TERRACE

Valencia Terrace has gone through an extensive renovation program over the past 3 years. Ownership has renovated 38 of 64 units (roughly 60%). Renovated two-bedroom units are achieving rent premiums of over \$1,000. Renovated one-bedroom units are achieving premiums of \$400. Interior renovations include but are not limited to: Updated modern cabinetry, quartz counters, stainless-steel appliances, wood-look flooring, upgraded lighting package, upgraded hardware package, and much more. In addition to renovation premiums only 60% of tenants have converted to a fully implemented other income model (RUBS, parking, renter's insurance, etc.). The exterior renovations include but are not limited to: New paint, dual pane windows, updated pool area, outdoor BBQ's, new trash enclosures and compactor, landscape package and more.

RARE OPPORTUNITY TO ACQUIRE 100+ UNITS IN VALLEJO

The Valencia and Valencia Terrace offer an investor the ability to purchase 144 units as a portfolio. There have only been two properties that has been purchased in Vallejo over 100 units in the past five years.

PORTFOLIO VS. INDIVIDUAL ASSET OFFER

The owner is willing to consider either a portfolio sale or individual asset sales, providing a buyer flexibility to deploy the most advantageous amount of capital for its purposes.

STRONG MARKET FUNDAMENTALS

The Valencia and Valencia Terrace benefit from an exceptionally strong local and regional rental market. Vallejo's convenient location makes it a desirable cheaper alternative for residents working in the interior Bay Area. According to the Axiometrics database Valencia and Valencia Terrace sit in the Vallejo/Fairfield submarket of the Vallejo/Fairfield/Napa region. The Vallejo/Fairfield/Napa region saw rents rise 11% in the past year with occupancy remaining strong at 97%. The Vallejo/Fairfield submarket saw rents rise 12% in the past year with occupancy strong at 97%.

INVESTMENT SUMMARY - THE VALENCIA

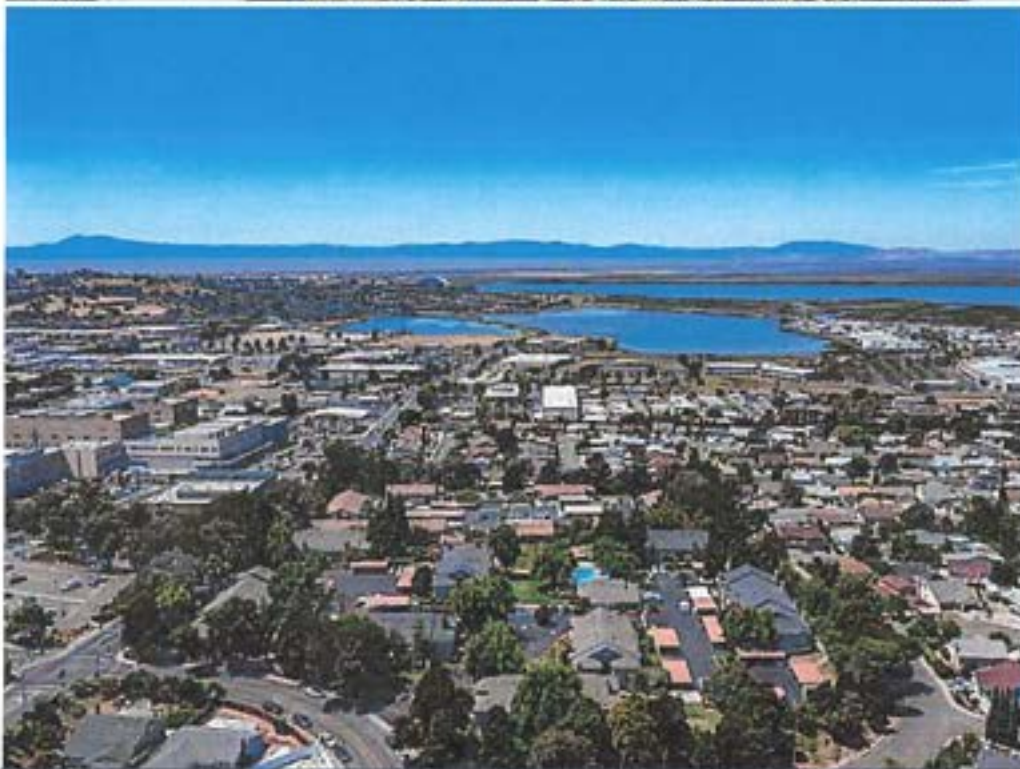
Price	Market Pricing
Address	1101 N Camino Alto, Vallejo, CA
Year Built	1986
Total # of Units	80
Avg. Unit Size	936
Net Rentable Area	74,880
Current Avg. Rent	\$2,025
Current Avg. Rent PSF	\$2.16
Market Rent	\$2,430
Market Rent PSF	\$2.60

INVESTMENT SUMMARY - VALENCIA TERRACE

Price	Market Pricing
Address	154 Richardson Street, Vallejo, CA
Year Built	1980/1982
Total # of Units	64
Avg. Unit Size	773
Net Rentable Area	49,440
Current Avg. Rent	\$1,639
Current Avg. Rent PSF	\$2.12
Market Rent	\$2,201
Market Rent PSF	\$2.85

Property Aerial





Location Overview

Vallejo is located on the northeast edge of the San Francisco Bay Area; approximately 20 miles north of Walnut Creek and Concord, 30 miles north of Oakland, and 32 miles northeast of San Francisco. Vallejo is well connected to major employment centers throughout the Bay Area via numerous travel options. The San Francisco Bay Area Water Emergency Transportation Authority (WETA) provides a high-speed catamaran service directly between San Francisco and Vallejo for approximately 2,000 commuters a day. Solano County Transit (SolTrans) provides bus connection to nearby Bay Area Rapid Transit (BART) stations as well as across-town services. Among these options residents in Vallejo also benefit from the easily accessible Interstate Highways, 80 and 780, giving them peace of mind in reaching employment.

Vallejo's Proximity to San Pablo Bay, Carquinez strait, and Mare Island Strait support a healthy variety of maritime activities. The city has an active boating community supported by two marinas, a yacht club, and small boat launch. Accompanying these aquatic activities, Vallejo has an extensive park and trail system, managed by the Great Vallejo Recreation District. The heart of Vallejo is located on Mare Island, the first naval station on the west coast, which was operating from 1851-1996. The island is now home to more than 80 businesses, Touro University, an active residential neighborhood, and an 18-hole golf course.

The amenity rich city draws a high qualified class of residence with median household income nearing \$70,000, per the 2019 U.S. Census. Home values in the city of Vallejo are increasing as well, the median sales price is up 17% year-over-year and 75% of homes sold go above asking. (according to Redfin)

Source: cityofvallejo.net



Nearby Amenities

1

2 Sutter Health

3 Six Flags

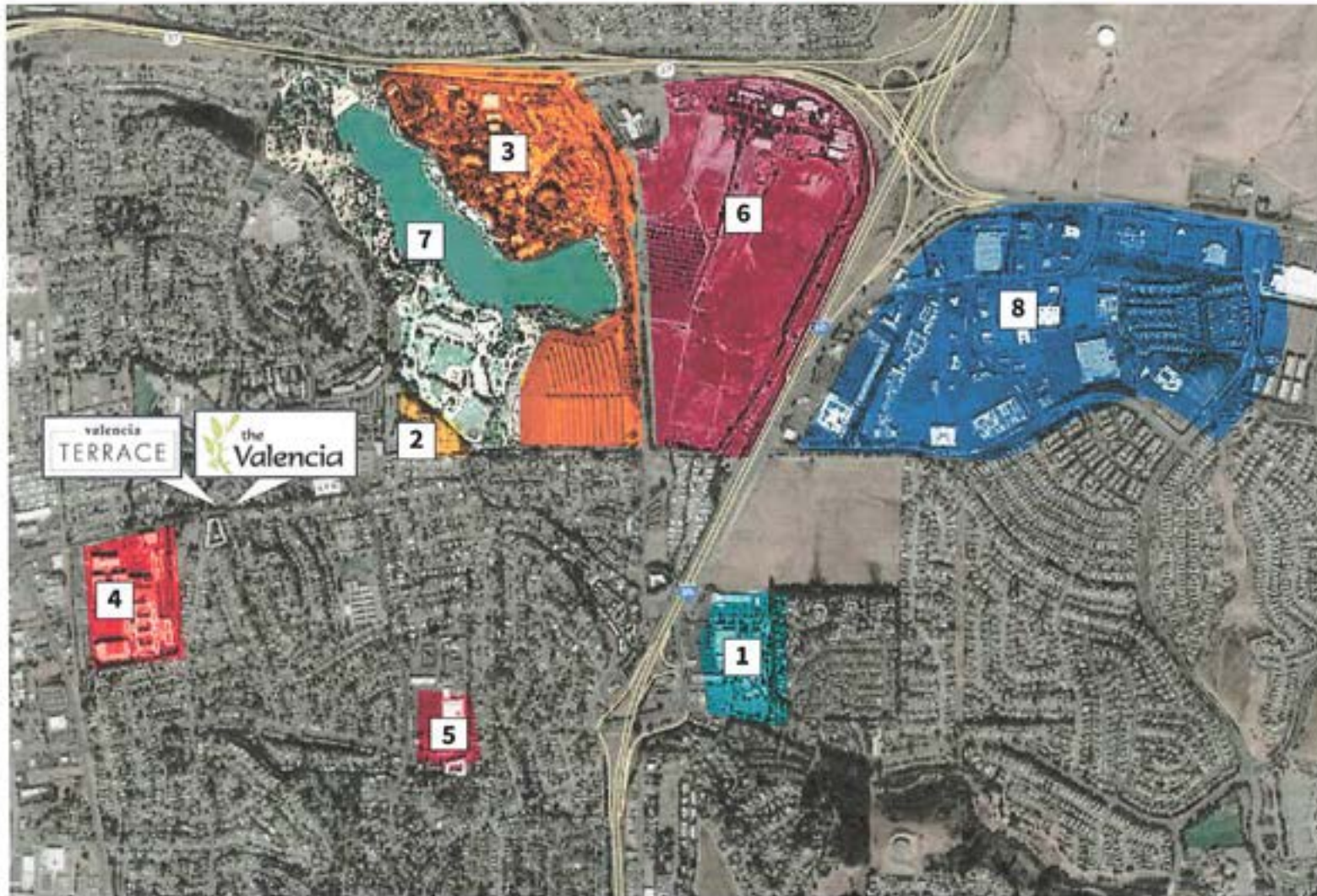
4 Kaiser Permanente

5 Food Maxx

6 SELAND COUNTY FAIRGROUNDS
Where Memories Grow

7 Dan Foley Park
Dan Foley Cultural Center

8



Transportation



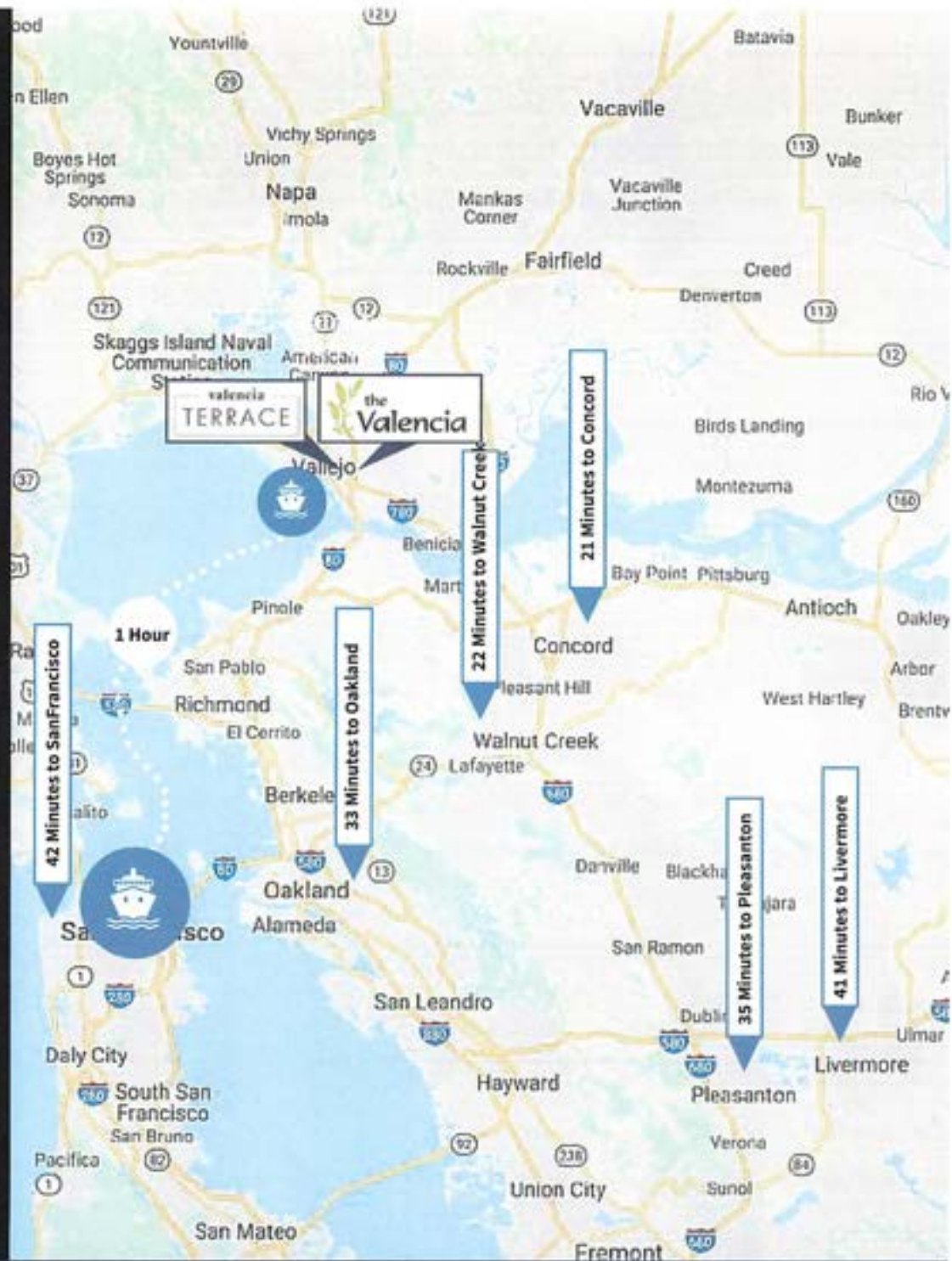
DRIVE TIME FROM THE RIDGE TOWNHOMES

CONCORD	21 minutes
WALNUT CREEK	22 minutes
PLEASANTON	35 minutes
LIVERMORE	41 minutes
OAKLAND	33 minutes
SAN FRANCISCO	42 minutes



FERRY SERVICE FROM VALLEJO

TO SAN FRANCISCO	1 hour
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Market Stastics

SOLANO / NAPA



96%
Occupancy



\$2,368
Effective Rent



11.31%
Annual Rent Growth

VALLEJO / FAIRFIELD



96%
Occupancy



\$2,245
Effective Rent



11.55%
Annual Rent Growth

SOLANO COUNTY LARGEST EMPLOYERS



FLATIRON



Genentech
A Member of the Roche Group



Honeywell





1101 NORTH CAMINO ALTO
VALLEJO, CA 94589



A M E N I T I E S



Apartment Amenities

Hard Surface Counters

Spacious Floor Plans

Private Patio / Balcony

Dual Pane Windows

Stainless Steel Appliances

Wood-look flooring

Updated Cabinets

Walk-in Closets

Air Conditioning

Microwaves

Dishwashers

Valet Waste

*Amenities vary per Apartment



Community Amenities

Gated Community

Courtyard

Laundry Facility

On-Site Management

On-Site Leasing Office

Abundance of Covered Parking

Convenient Freeway Access

Lawn Area

View from All Units

Outdoor Seating Area

Pool & Spa



valencia
TERRACE

154 RICHARDSON DRIVE
VALLEJO, CA 94589



A M E N I T I E S



Apartment Amenities

Hard Surface Counters

Spacious Floor Plans

Private Patio / Balcony

Dual Pane Windows

Stainless Steel Appliances

Wood-look flooring

Updated Cabinets

Walk-in Closets

Dishwashers

*Amenities vary per Apartment



Community Amenities

Outdoor Barbeque

Courtyard

Laundry Facility

On-Site Management

On-Site Leasing Office

Abundance of Covered Parking

Water Views from most Units

Pool

Outdoor Seating Area





California Affordable Housing Agency

MEMORANDUM

October 10, 2022

TO: CalAHA Executive Committee

FROM: Nick Benjamin, Executive Director

SUBJECT: Consideration of a Partnership/Bond Issuance for Housing Trust Placer. (HTP)

Following a referral from condominium/association attorney Bruce Inman, the agency was contacted by Dan Heldridge, CEO of Housing Trust Placer (HTP). Their organization (formed in 2019) has an interest in providing affordable housing in and around the Placer County area. Mr. Heldridge formerly worked with Morgan Stanley in their Community Development operations based in New York. After learning of CalAHA he wanted to explore JPA membership and or partnership that would permit CalAHA to issue housing bonds for HTP. A group call with two HTP board members, Tom Lewis and myself is scheduled for October 26, 2022 @ 10:00 PST to discuss ideas and parameters for potential partnership.



Lender side Loan Zero Coupon @ The Valencia 1101 N Camino Alto, Vallejo CA 94589				IRR:	8.98%	Cash Sweep 7,184,631
YR	BEG BALANCE (w / sweep)	Face Princ. Growth	Face Growth 4,766,841	100% of the 70% to Lender Cash Sweep	CUMUL. Sweep	INVESTOR CASH POSIT. (4,766,841)
1	4,766,841	314,880	5,081,720	161,674	161,674	161,674
2	5,081,720	335,679	5,417,400	166,897	328,571	166,897
3	5,417,400	357,853	5,775,253	172,287	500,858	172,287
4	5,775,253	381,492	6,156,745	177,852	678,710	177,852
5	6,156,745	406,691	6,563,436	183,597	862,307	183,597
6	6,563,436	433,556	6,996,992	189,527	1,051,834	189,527
7	6,996,992	462,195	7,459,187	195,649	1,247,483	195,649
8	7,459,187	492,726	7,951,913	201,968	1,449,451	201,968
9	7,951,913	525,274	8,477,187	208,492	1,657,943	208,492
10	8,477,187	559,971	9,037,158	215,226	1,873,169	215,226
11	9,037,158	596,961	9,634,118	222,178	2,095,347	222,178
12	9,634,118	636,394	10,270,512	229,354	2,324,701	229,354
13	10,270,512	678,432	10,948,944	236,762	2,561,463	236,762
14	10,948,944	723,246	11,672,190	244,410	2,805,873	244,410
15	11,672,190	771,021	12,443,211	252,304	3,058,177	252,304
16	12,443,211	821,952	13,265,163	260,454	3,318,630	260,454
17	13,265,163	876,247	14,141,410	268,866	3,587,497	268,866
18	14,141,410	934,129	15,075,538	277,551	3,865,047	277,551
19	15,075,538	995,834	16,071,372	286,515	4,151,563	286,515
20	16,071,372	1,061,615	17,132,986	295,770	4,447,333	295,770
21	17,132,986	1,131,741	18,264,727	305,323	4,752,656	305,323
22	18,264,727	1,206,499	19,471,226	315,185	5,067,841	315,185
23	19,471,226	1,286,196	20,757,423	325,366	5,393,207	325,366
24	20,757,423	1,371,158	22,128,580	335,875	5,729,082	335,875
25	22,128,580	1,461,731	23,590,311	346,724	6,075,806	346,724
26	23,590,311	1,558,287	25,148,599	357,923	6,433,729	357,923
27	25,148,599	1,661,222	26,809,821	369,484	6,803,213	369,484
28	26,809,821	1,770,956	28,580,777	381,418	7,184,631	28,962,195
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

SOURCES

Bond One	0
Bond Two	27,256,177
Zero Coupon	4,766,841
Total Sources	32,023,017
10% TO AREF	(3,202,302)
Total Sources To Acquisition	28,820,716

AREF
3,202,302

USES

Land & Buildings	(23,300,000)
Rehab. & New Construction	(400,000)
Soft Costs	(59,000)
Construction Debt Costs	(450,000)
<i>reserved for future use</i>	0
Project Financing	(838,205)
Project Reserves	(2,366,975)
Developer Fees	(1,025,488)
Condemnation & Casualty 0 BPts	0
RV Insurance (on balloons)	0
Buyer Paid Real Estate Comm.	0
Lease Guarentee Fee (upfront + ongoing %)	0
Bond Counsel (Foreign)	0
Structural Resrvs/Crit. Work (\$/SqFt or man.)	0
Private Actvitiy Bond Issuer	0
Total Uses	(28,439,668)
Remainder	381,048

EQUITY FROM AREF	3,202,302
CAPITALIZED BOND FUNDING	(2,885,918)
AREF REMAINDER	697,431

