



Kings County Government Center
1400 W. Lacey Boulevard
Hanford, California 93230
☎ (559) 852- 2362 FAX (559) 585-8047

Agenda

Tuesday, August 17, 2021

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m. or soon thereafter, immediately following the meeting of the Kings County Board of Supervisors

CALCHA PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

California Governor Gavin Newsom issued Executive Orders N-25-20 and N-29-20 on March 12, 2020 and March 17, 2020, respectively, relating to the convening of public agency meetings in light of the COVID-19 pandemic. The Board of Supervisors will convene their public meetings via video and teleconference. Pursuant to the Executive Orders, and as advised by local Health Officials, the Kings County Board of Supervisors, County staff and interested members of the public may attend the meeting in person. The meeting can also be attended telephonically or by the Internet by sending an email to bosquestions@co.kings.ca.us on the morning of the meeting for an automated email response with the WebEx meeting information.

Members of the public who wish to only observe the meeting virtually can do so via the worldwide web at:
<https://youtu.be/SU1RxcVrP8> or go to www.countyofkings.com and click on the “Join Meeting” link.

Members of the public who wish to comment may submit written comments on any matter within the Board’s subject matter jurisdiction, regardless of whether it is on the agenda for the Board’s consideration or action, and those comments will become part of the administrative record of the meeting. Comments will not be read into the record, only the names of who have submitted comments will be read into the record. Written comments received by the Clerk of the Board of Supervisors no later than 8:30 a.m. on the morning of the noticed meeting will be included in the record, those comments received after 8:30 a.m. will become part of the record of the next meeting. To submit written comments by email, please forward them to bosquestions@co.kings.ca.us or by U.S. Mail, please forward them to: Clerk of the Board of Supervisors, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230.

1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**

Approval of the minutes from the June 29, 2021 meeting.

3. **CONSENT CALENDAR**

- a. Consideration of approving the BLX Group for providing Continuing Disclosure and Arbitrage Rebate services to the Agency in regard to The Summit at Sausalito and The Exchange at Bayfront.
- b. Consideration of approving Puget Sound Capital Services LLC for providing Investment Advisory Services to the Agency in regard to The Summit at Sausalito and The Exchange at Bayfront.
- c. Consideration of Approving Resolution 21-06C, Designated Agent Agreement appointing GPM Municipal Advisors, LLC, as Designated agent for the Agency in relation to The Summit at Sausalito asset ownership project.
- d. Consideration of Approving Resolution 21-07C, Designated Agent Agreement appointing GPM Municipal Advisors, LLC, as Designated agent for the Agency in relation to The Exchange at Bayfront asset ownership project.

4. **NEW BUSINESS**

- a. Consideration of Approving Resolution 21-07A, The Summit at Sausalito, City of Sausalito, County of Marin, California; authorize the acquisition and ownership of a multifamily rental housing facility and issue an amount not to exceed \$180,000,000 in revenue bonds. (Staff – Scott Carper / Mike LaPierre)
- b. Consideration of Approving Resolution 21-08A, The Exchange at Bayfront, City of Hercules, County of Contra Costa, California; authorize the acquisition and ownership of a multifamily rental housing facility and issue an amount not to exceed \$165,000,000 in revenue bonds. (Staff – Scott Carper / Mike LaPierre)

5. **PUBLIC COMMENT**

Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

6. **STAFF UPDATES**

7. **ADJOURNMENT**

Adjourn as the California Community Housing Agency.



2. APPROVAL OF MINUTES

Approval of the minutes from the June 29, 2021 meeting.



Action Summary

Tuesday, June 29, 2021

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m. or soon thereafter, immediately following the meeting of the
California Public Finance Authority

CALCHA PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

California Governor Gavin Newsom issued Executive Orders N-25-20 and N-29-20 on March 12, 2020 and March 17, 2020, respectively, relating to the convening of public agency meetings in light of the COVID-19 pandemic. The California Public Finance Authority hereby provides notice that it will convene its regularly scheduled public meetings by teleconference going forward, except as described below, until further notice.

Pursuant to the Executive Orders, and to maintain the orderly conduct of the meeting, the California Public Finance Authority will allow the Board of Directors, staff and interested members of the public to attend the meeting telephonically or by the Internet, and to participate in the meeting to the same extent as if they were present in the Board's Chambers. Members of the public who choose to attend the meeting virtually, using certain digital or landline phones, may listen to the audio broadcast of the meeting, but will not be able to comment during the meeting. Only those members of the public who cannot participate virtually, due to a need for a special accommodation (vision, hearing, etc.), may attend the meeting in the Board Chambers where efforts will be made to allow adequate social distancing and to ensure that exposed surfaces are sanitized. No more than 10 individuals will be allowed in the Board Chambers at a time. To secure the accommodation consistent with the American's with Disabilities Act and to attend in person, interested parties will need to contact the Clerk of the Board as directed below no later than 8:30 a.m. the morning of the meeting.

Members of the public who wish to observe the meeting virtually can do so via the worldwide web at: <https://youtu.be/derr2vr8alQ> or go to www.countyofkings.com and click on the "Join Meeting" link.

Members of the public who wish to comment may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for Board consideration or action, and those comments will be entered into the administrative record of the meeting. To submit written comments by U.S. Mail or email for inclusion in the meeting record, they must be received by the Clerk of the Board of Supervisors no later than 9:00 a.m. on the morning of the noticed meeting. To submit written comments by email, please forward them to either bosquestions@co.kings.ca.us. To submit such comments by U.S. Mail, please forward them to: Clerk of the Board of Supervisors, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230.

To comment during the meeting by telephone or the Internet, E-mail the Clerk of the Board at any time before or during the meeting at bosquestions@co.kings.ca.us for a phone number, access code and meeting link.

1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board
ALL MEMBERS PRESENT

2. **APPROVAL OF MINUTES**

Approval of the minutes from the May 11, 2021 meeting.

ACTION: APPROVED AS PRESENTED (DV, RF, JN, RV, CP - Aye)

3. **CONSENT CALENDAR**

- a. Consideration of approving the BLX Group for providing Continuing Disclosure and Arbitrage Rebate services to the Agency in regard to Fountains at Emerald Park.
- b. Consideration of approving Puget Sound Capital Services LLC for providing Investment Advisory Services to the Agency in regard to Fountains at Emerald Park.
- c. Consideration of Approving Resolution 21-05C, Designated Agent Agreement appointing GPM Municipal Advisors, LLC, as Designated agent for the Agency in relation to Fountains at Emerald Park asset ownership project.
- d. Consideration of approving resolution 21-05M for the addition of program participants to the Agency.

ACTION: APPROVED AS PRESENTED (DV, RF, JN, RV, CP - Aye)

4. **NEW BUSINESS**

- a. Consideration of Approving Resolution 21-06A, Fountains at Emerald Park, City of Dublin, County of Alameda, California; authorize the acquisition and ownership of a multifamily rental housing facility and issue an amount not to exceed \$250,000,000 in revenue bonds. (Staff – Scott Carper / Mike LaPierre)

ACTION: APPROVED AS PRESENTED (JN, DV, RV, RF, CP - Aye)

5. **PUBLIC COMMENT**

*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. - **None***

6. **STAFF UPDATES:** Scott Carper stated there is an opportunity in the City of Hercules, it will be brought to the Board on the July 13, 2021 meeting.

7. **ADJOURNMENT**

The meeting was adjourned at 11:08am.



3. CONSENT CALENDAR

- a. Consideration of approving the BLX Group for providing Continuing Disclosure and Arbitrage Rebate services to the Agency in regard to The Summit at Sausalito and The Exchange at Bayfront.



BLX Group LLC
777 South Figueroa St, Ste 3200
Los Angeles, CA 90017-5855
Ph 213 612 2200 Fx 213 612 2499
blxgroup.com

August 10, 2021

California Community Housing Agency
1400 W. Lacey Boulevard
Hanford, CA 93230

Re: Post-Issuance Compliance Services

This letter is to confirm the engagement of BLX Group LLC (“BLX”) by the California Community Housing Agency (the “Client”) for the purpose of providing certain post-issuance compliance services described below (together, the “Post-Issuance Services”) and detailed in Appendices A and B below. The Post-Issuance Services are to be performed with respect to the bond issuance listed in Exhibit 1 hereto (the “Bonds”) and are specifically defined in:

Appendix A: Arbitrage Rebate Compliance Services
Appendix B: Continuing Disclosure Services

At the Client’s election, which election is made by the Client’s signature of this engagement letter, the Post-Issuance Services listed in Appendix A will include legal advice provided by the law firm, Orrick, Herrington & Sutcliffe LLP (“Orrick” and together with BLX, “we” or “us”). Accordingly, BLX will engage Orrick to represent BLX for the purpose of providing legal oversight and review as it deems necessary to render its opinion that the computations shown in the reports were performed in accordance with applicable federal law and regulations for the services listed above. No attorney-client relationship exists between Orrick and the Client by virtue of this engagement or the provision of the Orrick legal opinion. BLX is not a law firm and is not providing any legal advice to you.

For Post-Issuance Services listed in Appendix B, the Client is aware that Orrick is not providing legal advice and BLX is not obtaining legal advice from Orrick in connection with the services listed in Appendix B.

The Client undertakes to provide or cause to be provided to BLX all such relevant data (the “Data”), as specified by BLX from time to time, and shall cooperate with all reasonable requests of BLX in connection therewith.

The Client agrees to pay BLX the fees each year for the Post-Issuance Services as set forth in Appendices A and B. Fees are due each November 30, beginning November 30, 2022. These fees will apply to the first three years of the engagement after which time the fees are subject to renegotiation. BLX understands and agrees that any fees and expenses due and owing BLX hereunder or otherwise as a result of the engagement shall be payable solely and exclusively from the revenues associated with the Project, as that term is defined in the Indenture. Under no circumstances shall Client be responsible for any such fees or expenses except to the extent funds are available for such purpose under the Indenture. The Client makes no warranty or representation as to the existence or adequacy of such funds.

This engagement will be terminable by either party by written notice to the other, such termination to be effective immediately.

BLX, an S.E.C. and M.S.R.B. registered municipal advisor, is a wholly-owned subsidiary of Orrick. The Client acknowledges and agrees that (i) BLX is not acting as a municipal advisor, financial advisor, investment advisor, agent or fiduciary to the Client; and (ii) BLX has not assumed any advisory or fiduciary responsibility to the Client with respect to the Post-Issuance Services contemplated under this agreement.



BLX and/or Orrick may have client relationships with other parties involved in some manner with the Bonds or the Client (for example, underwriters, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, investment advisors/providers/brokers, public entities and others) whether with respect to the Bonds or unrelated matter(s). To the extent that a conflict-of-interest is created by this engagement, the Client hereby waives any such conflict.

Post-Issuance Services listed under Appendix A - The Post-Issuance Services to be provided by BLX and Orrick under Appendix A are limited. BLX and Orrick are not being engaged for, and BLX and Orrick are not obligated, to undertake any of the following: (1) review the tax-exempt status of interest on the Bonds or any other aspect of the Bonds except to the extent of the Post-Issuance Services set forth in this proposal; (2) consider any information obtained by BLX or Orrick pursuant to this engagement for any purpose other than undertaking the Post-Issuance Services; and (3) except as otherwise set forth herein, update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report. Should the Client desire BLX and/or Orrick to undertake any of the foregoing, such additional services will be the subject of a separate engagement and a separate fee, if any. In addition, BLX and Orrick will be entitled to rely entirely on information provided by the Client and/or its agents without independent verification for the purpose of performing the Post-Issuance Services.

Post-Issuance Services listed under Appendix B - The Client acknowledges that with respect the Post-Issuance Services listed in Appendix B, although BLX is presently wholly owned by the law firm of Orrick, (1) BLX is not a part of the law firm, its employees are not lawyers and the services it provides, including all services contemplated by this agreement, are not legal services and do not include legal advice or legal opinions of any kind; (2) BLX, therefore, is not being engaged hereunder and does not undertake to independently verify, or otherwise assume any responsibility for, the accuracy, completeness of fairness of any Disclosures made in Annual or Quarterly Reports or notices of Listed Events or compliance with federal or state securities laws; (3) BLX is not being engaged hereunder and does no undertaking to make any inquiry to attorneys or others at Orrick for legal advice or for information anyone at Orrick may have which might be material to the Client or the disclosures which shall be the sole responsibility of the Client; (4) this agreement does not establish any attorney-client or other relationship with Orrick, and Orrick is not in any manner involved in or responsible for the services to be provided by BLX under this agreement and shall not be held liable in any manner for such services; and (5) this agreement and BLX's relationship to Orrick does not represent any basis for a conflict-of-interest to be considered to exist by reason of any attorney-client relationship that Orrick may have had, have, or enter into (even if adverse to the Client), and the Client specifically consents to any and all such relationships. In addition, the Client agrees that any or all information obtained or developed pursuant to this engagement may be used and disclosed by BLX as required for BLX to perform its duties under the continuing disclosure agreements.

If the terms of this engagement letter are acceptable, please sign and indicate by checking the applicable box(es) listed below to correspond to the Post Issuance Services for which you would like to engage us and return a copy of the executed letter to me.



California Community Housing Agency
August 10, 2021

If you have any questions regarding this engagement letter, please feel free to contact me. Thank you for your consideration.

Accepted and Agreed to:

California Community Housing Agency

Sincerely,

BLX Group LLC

A handwritten signature in blue ink that reads "Jeffrey R. Higgins".

By: _____

Dated: _____

Jeffrey R. Higgins, Managing Director
(213) 612-2209
jhiggins@blxgroup.com

The above signed hereby
acknowledges that he/she is
authorized to enter into this
agreement on behalf of the Client.



Appendix A

Arbitrage Rebate Compliance Services

BLX will provide the following services to the Client, subject to the conditions and limitations set forth herein.

BLX will calculate the amount of rebate liability with respect to the Bonds once per year as of the end of each bond year (unless specifically directed in writing otherwise by the Client) and as of the final maturity or redemption of the Bonds (each such date on which a rebate calculation is performed is referred to herein as a “Rebate Calculation Date”) applying regulations of the United States Department of the Treasury (“Treasury”) in effect on such Rebate Calculation Date. In addition, if a “penalty in lieu of rebate” election under Code Section 148(f)(4)(C)(vii) has been made by the Client with respect to the Bonds, BLX will calculate, every six months, the amount of such “penalty” as of the end of each six-month period beginning on the date of issue of the Bonds (each such date on which a penalty calculation is performed is referred to herein as a “Penalty Calculation Date”). (The term “Calculation Date” as used herein shall refer to a Rebate Calculation Date or a Penalty Calculation Date, as appropriate.) In addition, if required or requested by the Client, BLX will include in each report delivered to the Client an analysis of compliance with applicable arbitrage yield restrictions. In addition, Orrick will conduct a legal review of the findings contained in the report prepared by BLX and provide an opinion reflecting such findings.

With respect to each Calculation Date, BLX will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate or penalty liability report addressed to the Client as to the amount of the rebate or penalty liability as of such Calculation Date.

Fee Schedule

Base Fee

<u>Service</u>	<u>Fee</u>
Engagement Fee (one-time fee, per issue)	\$500
Report Fee (per report)	\$2,250
Disbursement Fee (per report)	\$25

Additional Fees (per report, as appropriate)

<u>Service</u>	<u>Fee</u>
Variable Rate Issue	+\$500 - \$1,000
Transferred Proceeds Analysis	+\$500 - \$1,500
Commingled Funds Analysis	+\$500 - \$1,500
Yield Restriction Analysis	+\$500 - \$2,500
Cash Flow Recreation/Incomplete Records	+\$500 - \$1,500
Derivative Products Analysis Surcharge	+\$0 - \$1,000
Final or 5th Year Report	+\$500
Computation Periods in Excess of 12 Months (per additional year or fraction thereof)	+\$500

Optional Services

Evaluating various elections and applications *To be negotiated separately*



Appendix B

Continuing Disclosure Services

BLX will perform the following services, subject to the conditions and limitations set forth herein.

- (i) Perform the duties of the Dissemination Agent as set forth in the Continuing Disclosure Agreement.
- (ii) Determine from the Continuing Disclosure Agreement and remind the Client at least 60 days in advance, by when the Annual/Quarterly Report must be provided to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access system ("EMMA").
- (iii) Assist the officers, contractors or employees of the Client designated with responsibility for continuing disclosure to assemble information necessary for the Annual/Quarterly Report.
- (iv) Format or assist in formatting such material into an Annual/Quarterly Report.
- (v) Notify the Client of such rating changes on the bonds within 5-7 business days of the date of such rating change, including the new rating, the effective date of the new rating, and the rating agency responsible for the rating change, utilize third party sources, including Bloomberg, to determine if a rating change has occurred.
- (vi) Assist in preparation of the notice concerning any Listed Event determined by the Client.
- (vii) Submit or confirm submission of the Annual/Quarterly Report and Listed Event notice to EMMA.
- (viii) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual/Quarterly Report and Listed Event notices submitted to EMMA.

Fee Schedule

<u>Service</u>	<u>Fee</u>
Continuing Disclosure Services	\$3,500 per year



Exhibit 1

List of Bonds

- 1) California Community Housing Agency
Essential Housing Revenue Bonds, Series 2021A-1 Senior Bonds
Essential Housing Revenue Bonds, Series 2021A-2 Junior Bonds
Subordinate Essential Housing Revenue Bonds, Series 2021B
(Summit at Sausalito Apartments)



3. CONSENT CALENDAR

- b. Consideration of approving Puget Sound Capital Services LLC for providing Investment Advisory Services to the Agency in regard to The Summit at Sausalito and The Exchange at Bayfront.

**Acknowledgement of Advisory Services
To Comply With
The Securities Act of Washington (RCW 21.20)
and
The Investment Advisors Act of 1940**

The California Community Housing Agency (the “Client”) hereby acknowledges the services and engagement (the “Engagement”) of Puget Sound Capital Services LLC, a limited liability company registered in the State of Washington (“PSCS”) and an investment advisor registered pursuant to the Investment Advisors Act of 1940, as a structuring and placement manager for the competitive or negotiated procurement of certain investments (collectively, the “Investment”) in connection with (i) California Community Housing Agency, Senior Essential Housing Revenue Bonds, Series 2021A-1 (Summit at Sausalito Apartments) and (ii) California Community Housing Agency, Junior Essential Housing Revenue Bonds, Series 2021A-2 (Summit at Sausalito Apartments) (collectively, the “Bonds”).

PSCS will perform, on a fiduciary basis, all required services typical and customary in the industry to facilitate this transaction. PSCS will be compensated an advisory and placement fee based on industry standard guidelines (the “Fee”) only in the event of successful completion of the Investment transaction with the selected Investment provider. For investment products governed by IRS §1.148-5 (investment agreements and similar structured products) the fee does not exceed the lesser of (A) \$42,000, and (B) 0.2 percent of the computational base (as defined in § 1.148-5(e)(2)(iii)(B)(2)) or, if more, \$4,000. For the Federally Insured Cash Account (FICA) and/or the Institutional Cash Account (ICA) money market account products (collectively, the “MMA Product”), a fee in the amount of 10 basis points per annum pro-rated monthly shall be paid by the StoneCastle Cash Management, LLC, the product sponsor. There are no prepaid fees with this agreement. In the event the Investment transaction(s) does not settle, no compensation will be payable unless otherwise directed by the Client. The Fee is not calculated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the Client’s funds.

Furthermore, in compliance with RCW 21.20 the Client does not grant PSCS any discretionary power, custody or proxy voting rights with respect to any funds or securities. The advisory services of PSCS are not transferable or assignable directly or indirectly unless directed by the Client. Any material revision to this agreement must be consented by the Client in writing. The Engagement may be terminated with no penalty at any time by either party in writing with three days notice. The Engagement will terminate 5 calendar days after the settlement of the Investment. The Client acknowledges receipt of a copy of Part 2A of Form ADV: Firm Brochure and a copy of the PSCS Privacy Policy. PSCS will deliver communications with the Client electronically and the Client may opt out of electronic delivery upon written request.

For clients residing in the State of Washington, the Engagement shall not waive or limit compliance with, or require indemnification for any violations of, any provision of the Securities Act of Washington Chapter 21.20 RCW.

Puget Sound Capital Services LLC

Date: 7/26/21



By: _____

Name: William G. Chao

Title: Member

Address: 1314 6th Ave W, Seattle, WA 98119

Email: bill@pscsea.com

Phone: (206) 285-0800

California Community Housing Agency

By: _____

Date: _____

Name: _____

Title: _____

**Acknowledgement of Advisory Services
To Comply With
The Securities Act of Washington (RCW 21.20)
and
The Investment Advisors Act of 1940**

The California Community Housing Agency (the “Client”) hereby acknowledges the services and engagement (the “Engagement”) of Puget Sound Capital Services LLC, a limited liability company registered in the State of Washington (“PSCS”) and an investment advisor registered pursuant to the Investment Advisors Act of 1940, as a structuring and placement manager for the competitive or negotiated procurement of certain investments (collectively, the “Investment”) in connection with (i) California Community Housing Agency, Senior Essential Housing Revenue Bonds, Series 2021A-1 (Exchange at Bayfront); (ii) California Community Housing Agency, Junior Essential Housing Revenue Bonds, Series 2021A-2 (Exchange at Bayfront) and (iii) California Community Housing Agency, Essential Housing Revenue Bonds, Series 2021A-T (Exchange at Bayfront) (Federally Taxable) (collectively, the “Bonds”).

PSCS will perform, on a fiduciary basis, all required services typical and customary in the industry to facilitate this transaction. PSCS will be compensated an advisory and placement fee based on industry standard guidelines (the “Fee”) only in the event of successful completion of the Investment transaction with the selected Investment provider. For investment products governed by IRS §1.148-5 (investment agreements and similar structured products) the fee does not exceed the lesser of (A) \$42,000, and (B) 0.2 percent of the computational base (as defined in § 1.148-5(e)(2)(iii)(B)(2)) or, if more, \$4,000. For the Federally Insured Cash Account (FICA) and/or the Institutional Cash Account (ICA) money market account products (collectively, the “MMA Product”), a fee in the amount of 10 basis points per annum pro-rated monthly shall be paid by the StoneCastle Cash Management, LLC, the product sponsor. There are no prepaid fees with this agreement. In the event the Investment transaction(s) does not settle, no compensation will be payable unless otherwise directed by the Client. The Fee is not calculated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the Client’s funds.

Furthermore, in compliance with RCW 21.20 the Client does not grant PSCS any discretionary power, custody or proxy voting rights with respect to any funds or securities. The advisory services of PSCS are not transferable or assignable directly or indirectly unless directed by the Client. Any material revision to this agreement must be consented by the Client in writing. The Engagement may be terminated with no penalty at any time by either party in writing with three days notice. The Engagement will terminate 5 calendar days after the settlement of the Investment. The Client acknowledges receipt of a copy of Part 2A of Form ADV: Firm Brochure and a copy of the PSCS Privacy Policy. PSCS will deliver communications with the Client electronically and the Client may opt out of electronic delivery upon written request.

For clients residing in the State of Washington, the Engagement shall not waive or limit compliance with, or require indemnification for any violations of, any provision of the Securities Act of Washington Chapter 21.20 RCW.

Puget Sound Capital Services LLC

Date: 8/3/21



By: _____

Name: William G. Chao

Title: Member

Address: 1314 6th Ave W, Seattle, WA 98119

Email: bill@pscsea.com

Phone: (206) 285-0800

California Community Housing Agency

By: _____

Date: _____

Name: _____

Title: _____



3. CONSENT CALENDAR

- c. Consideration of Approving Resolution 21-06C, Designated Agent Agreement appointing GPM Municipal Advisors, LLC, as Designated agent for the Agency in relation to The Summit at Sausalito asset ownership project.

DESIGNATED AGENT SERVICES AGREEMENT
Summit at Sausalito Apartments

This Designated Agent Services Agreement (“**Agreement**”), dated as of September 1, 2021 (“**Effective Date**”), is made and entered into by and between GPM Municipal Advisors, LLC, a California limited liability company (“**Designated Agent**”) and the California Community Housing Agency, a joint exercise of powers entity organized under the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (“**Agency**”). This Agreement is a supplement to that certain Master Services Agreement dated February 5, 2019, including any amendments thereto (“**MSA**”) entered into by and between the Agency and the Designated Agent and is intended to apply solely and exclusively to Designated Agent’s activities with respect to the Project, as defined below.

RECITALS

WHEREAS, on or about the Effective Date of this Agreement, the Agency is entering into a transaction whereby it will contract to acquire, operate and own a multifamily rental housing facility known as Summit at Sausalito Apartments in the City of Sausalito, Marin County, California (the “**Project**”). The Agency will acquire an ownership interest, and title in fee, to the Project by virtue of an Assignment and Assumption Agreement between the Agency and Catalyst Housing Group LLC (the “**Assignment Agreement**”) whereby the Agency assumes the obligations of Catalyst Housing Group LLC, as purchaser, under that certain Real Estate Sale Agreement between Catalyst Housing Group LLC and Archstone Sausalito LP (the “**Purchase and Sale Agreement**”); and

WHEREAS, the Agency will contract for the management and operation of the Project pursuant to that certain Property Management Agreement entered into by and between the Agency and Greystar California, Inc. (the “**Property Management Agreement**”); and

WHEREAS, the Agency will contract for administration of the Project pursuant to that certain Project Administration Agreement entered into by and between the Agency and Catalyst Housing Group LLC (the “**Project Administration Agreement**”); and

WHEREAS, the Agency will finance the acquisition and other related costs of the Project through the issuance of one or more series of bonds and enter into certain agreements related to such issuance (collectively, the “**Financing Agreements**”); and

WHEREAS, the Agency will enter into that certain Regulatory Agreement and Declaration of Restrictive Covenants by and between the Agency and Wilmington Trust, National Association (the “**Regulatory Agreement**”) and record such Regulatory Agreement with the Marin County Recorder whereby the Agency will make certain covenants and undertake certain actions to support, preserve and provide low income, median income and moderate income multifamily housing at the Project, all as more particularly set forth therein; and

WHEREAS, in order to acquire, own and operate the Project, the Agency will be a party to, or otherwise have certain rights relating to, the following agreements: (a) the Assignment Agreement; (b) the Purchase and Sale Agreement; (c) the Property Management Agreement; (d) the Project Administration Agreement; (e) the Regulatory Agreement; and (f) additional agreements supplemental or related thereto, all as more particularly described in the aforementioned agreements (collectively the

“Project Agreements”); and

WHEREAS, the Project Agreements require the Agency to perform certain acts, exercise certain levels of discretion and otherwise engage in decision making with respect to the Project and the Project Agreements; and

WHEREAS, the Designated Agent is the Agency’s designated “Program Manager” under the MSA and the Agency desires to appoint the Designated Agent as the entity responsible for performing certain acts, exercising certain levels of discretion and otherwise engaging in decision making with respect to the Project Agreements but only as permitted herein, and Designated Agent desires to accept such appointment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Agency and Designated Agent hereby agree as follows:

AGREEMENT

1. Appointment of Designated Agent. The Agency hereby appoints Designated Agent as its agent and true and lawful attorney-in-fact, for and in its name, place, and stead to the extent of, and limited by, the terms of this Agreement, and Designated Agent does hereby accept such appointment. Designated Agent shall have the power and authority to:

a. Except as limited in sub. (b) below, perform any and all acts and exercise any decision-making authority on behalf of the Agency in connection with such acts pursuant to the Project Agreements and the overall development and operation of the Project. Designated Agent expressly agrees to undertake such action on behalf of the Agency including, without limitation, all acts necessary of the Agency under the Regulatory Agreement.

b. Designated Agent is not authorized to perform, and shall not take, any action that is either prohibited of Designated Agent under a Project Agreement or Financing Agreement; or any of the following acts on behalf of the Agency in relation to a Project Agreement or Financing Agreement or any other agreement related thereto.

- i Approve, execute or deliver any Project Agreement or any amendment or modification thereto (including, without limitation, extending any deadline);
- ii Terminate a Project Agreement;
- iii. Waive, or cause to be waived, any obligation of any other party to a Project Agreement.
- iv. Institute any action or proceeding to enforce any right of the Agency under any Project Agreement.
- v. Take any action expressly prohibited by any Project Agreement from being taken by the Designated Agent.

3. Term. This Agreement shall be effective upon the Effective Date and shall continue in full force and effect until terminated as provided herein. This Agreement shall automatically terminate

upon termination of the MSA or the entirety of the Project Agreements, for whatever reason. The Agency may terminate this Agreement immediately upon written notice to Designated Agent. Designated Agent may terminate this Agreement upon 120 days prior written notice to the Agency provided, however, that Designated Agent shall take affirmative steps to ensure the Agency's continued satisfaction of all covenants set forth in the Project Agreements including, without limitation, the Regulatory Agreement.

4. Duty of Care. Designated Agent agrees that all of its actions, exercises of discretion and obligations undertaken pursuant to this Agreement shall be performed in a manner consistent with the duties of care set forth in the MSA. This Agreement is intended to create, and shall create, a relationship of principal and agent between the Agency and Designated Agent and Designated Agent shall conduct its affairs with respect to this Agreement and the duties hereunder in a manner consistent with such relationship.

5. Representations. Designated Agent represents that it has read and is familiar with the contents of each of the Project Agreements and that it understands the nature of and is capable of performing its duties and obligations thereunder.

6. Fees and Limitation on Agency's Liability. Separate and distinct from any fees and expenses paid to Designated Agent under the MSA, the Agency shall pay Designated Agent a fee of \$25,000.00 annually for its services under this Agreement. Such payment shall be made in annual installments due at or about the time of payment of the Agency's annual administrative fees related to the Project. Designated Agent understands and agrees that all fees due Designated Agent under this Agreement are limited to the extent that monies are available and held by the Trustee, as defined in the Financing Agreements, and available therefor under and in accordance with the Indenture in the Financing Agreements, and provided, that the Agency shall not be required to incur any expense or liability in pursuing any claim against such monies for the benefit of Designated Agent. Designated Agent further acknowledges and agrees to look solely to the Trustee for payment of all of its costs, expenses, and compensation out of the Administrative Expenses Fund, as defined in the Financing Agreements, and that, to the extent that funds or property are held by the Trustee that are not sufficient for such purpose, Designated Agent will be unable to recover any such cost, expense, loss or damage from the Agency and will be unable to recover any such cost, expense, loss or damage from any other person; provided, however, that the foregoing acknowledgement shall not be deemed or construed as affecting or diminishing Designated Agent's right to indemnification, as provided in the Financing Documents.

7. Incorporation of MSA Terms by Reference. All terms of the MSA not otherwise modified or supplemented by this Agreement are hereby incorporated by reference.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned has executed this document as of the date noted above.

THE AGENCY:

CALIFORNIA COMMUNITY HOUSING
AGENCY

By: _____
Authorized Signatory

DESIGNATED AGENT:

GPM MUNICIPAL ADVISORS, LLC

By: _____

RESOLUTION NO. 21-06C

CALIFORNIA COMMUNITY HOUSING AGENCY

A RESOLUTION APPROVING THE DESIGNATED AGENT SERVICES AGREEMENT APPOINTING GPM MUNICIPAL ADVISORS, LLC, AS THE AGENCY'S DESIGNATED AGENT IN CERTAIN MATTERS RELATING TO THE ACQUISITION, OWNERSHIP AND OPERATION OF SUMMIT AT SAUSALITO APARTMENTS

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the "Joint Exercise of Powers Act" (the "Act"), two or more California cities, counties and special districts (together with any other political subdivision that may from time to time be designated as an "Additional Member" of the Agency pursuant to the Joint Exercise Agreement, collectively, the "Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Community Housing Agency (the "Agency") was organized; and

WHEREAS, the Agency is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Agency is authorized and empowered under the Act and by the Agreement to, among other things, appoint agents and special advisers as the Agency finds necessary and fix their compensation; and

WHEREAS, pursuant to Resolution No. 21-07A, the Agency has approved the acquisition, ownership and operation of a multi-family residential complex known as Summit at Sausalito Apartments (the "Project") located in Sausalito, California; and

WHEREAS, in order to efficiently and effectively fulfill its obligations under the various agreements related to the Project, as more particularly described in Resolution No. 21-07A, the Board of Directors of the Agency (the "Board") believes it to be in the Agency's best interests to delegate certain functions and powers belonging to the Agency related to the Project and the related agreements to GPM Municipal Advisors, LLC, which currently serves as the Agency's Program Manager; and

WHEREAS, GPM Municipal Advisors, LLC, has indicated a willingness to serve as the Agency's Designated Agent with respect to certain delegated functions and powers of the Agency in relation to the Project and the related agreements; and

WHEREAS, there has been made available to the Board prior to this meeting the proposed form of the Designated Agent Services Agreement.

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

Section 1. The Board hereby finds and declares that the designation of GPM Municipal Advisors, LLC, as the Agency's Designated Agent with respect to certain delegated functions and powers of the Agency in relation to the Project and the related agreements as hereinabove recited and otherwise set forth in the Designated Agent Services Agreement is within the powers conferred upon the Agency by the Act and the Agreement.

Section 2. The proposed form of Designated Agent Services Agreement, as presented to this meeting, is hereby approved. The Chair, the Vice Chair, the Secretary and other appropriate officers and agents of the Agency, including each Authorized Signatory, is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Designated Agent Services Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. All actions heretofore taken by the Chair, the Vice Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Agency with respect to the Project are hereby ratified, confirmed and approved.

Section 4. This Resolution shall take effect from and after its adoption.

Passed and adopted this 17th day of August, 2021

I, the undersigned, an Authorized Signatory of the California Community Housing Agency, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Agency at a duly called meeting of the Board of Directors of the Agency held in accordance with law on August 17, 2021.

CALIFORNIA COMMUNITY HOUSING AGENCY

Name: _____

Title: Authorized Signatory



3. CONSENT CALENDAR

- d. Consideration of Approving Resolution 21-07C, Designated Agent Agreement appointing GPM Municipal Advisors, LLC, as Designated agent for the Agency in relation to The Exchange at Bayfront asset ownership project.

DESIGNATED AGENT SERVICES AGREEMENT
The Exchange at Bayfront Apartments

This Designated Agent Services Agreement (“**Agreement**”), dated as of September 1, 2021 (“**Effective Date**”), is made and entered into by and between GPM Municipal Advisors, LLC, a California limited liability company (“**Designated Agent**”) and the California Community Housing Agency, a joint exercise of powers entity organized under the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (“**Agency**”). This Agreement is a supplement to that certain Master Services Agreement dated February 5, 2019, including any amendments thereto (“**MSA**”) entered into by and between the Agency and the Designated Agent and is intended to apply solely and exclusively to Designated Agent’s activities with respect to the Project, as defined below.

RECITALS

WHEREAS, on or about the Effective Date of this Agreement, the Agency is entering into a transaction whereby it will contract to acquire, operate and own a multifamily rental housing facility known as The Exchange at Bayfront Apartments in the City of Hercules, Contra Costa County, California (the “**Project**”). The Agency will acquire an ownership interest, and title in fee, to the Project by virtue of an Assignment and Assumption Agreement between the Agency and Catalyst Housing Group LLC (the “**Assignment Agreement**”) whereby the Agency assumes the obligations of Catalyst Housing Group LLC, as purchaser, under that certain Real Estate Sale Agreement between Catalyst Housing Group LLC and Hercules Block N Development Partners, LP (as amended) (the “**Purchase and Sale Agreement**”); and

WHEREAS, the Agency will contract for the management and operation of the Project pursuant to that certain Property Management Agreement entered into by and between the Agency and Greystar California, Inc. (the “**Property Management Agreement**”); and

WHEREAS, the Agency will contract for administration of the Project pursuant to that certain Project Administration Agreement entered into by and between the Agency and Catalyst Housing Group LLC (the “**Project Administration Agreement**”); and

WHEREAS, the Agency will finance the acquisition and other related costs of the Project through the issuance of one or more series of bonds and enter into certain agreements related to such issuance (collectively, the “**Financing Agreements**”); and

WHEREAS, the Agency will enter into that certain Regulatory Agreement and Declaration of Restrictive Covenants by and between the Agency and Wilmington Trust, National Association (the “**Regulatory Agreement**”) and record such Regulatory Agreement with the Contra Costa County Recorder whereby the Agency will make certain covenants and undertake certain actions to support, preserve and provide low income, median income and moderate income multifamily housing at the Project, all as more particularly set forth therein; and

WHEREAS, in order to acquire, own and operate the Project, the Agency will be a party to, or otherwise have certain rights relating to, the following agreements: (a) the Assignment Agreement; (b) the Purchase and Sale Agreement; (c) the Property Management Agreement; (d) the Project Administration Agreement; (e) the Regulatory Agreement; and (f) additional agreements supplemental

or related thereto, all as more particularly described in the aforementioned agreements (collectively the “**Project Agreements**”); and

WHEREAS, the Project Agreements require the Agency to perform certain acts, exercise certain levels of discretion and otherwise engage in decision making with respect to the Project and the Project Agreements; and

WHEREAS, the Designated Agent is the Agency’s designated “Program Manager” under the MSA and the Agency desires to appoint the Designated Agent as the entity responsible for performing certain acts, exercising certain levels of discretion and otherwise engaging in decision making with respect to the Project Agreements but only as permitted herein, and Designated Agent desires to accept such appointment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Agency and Designated Agent hereby agree as follows:

AGREEMENT

1. Appointment of Designated Agent. The Agency hereby appoints Designated Agent as its agent and true and lawful attorney-in-fact, for and in its name, place, and stead to the extent of, and limited by, the terms of this Agreement, and Designated Agent does hereby accept such appointment. Designated Agent shall have the power and authority to:

a. Except as limited in sub. (b) below, perform any and all acts and exercise any decision-making authority on behalf of the Agency in connection with such acts pursuant to the Project Agreements and the overall development and operation of the Project. Designated Agent expressly agrees to undertake such action on behalf of the Agency including, without limitation, all acts necessary of the Agency under the Regulatory Agreement.

b. Designated Agent is not authorized to perform, and shall not take, any action that is either prohibited of Designated Agent under a Project Agreement or Financing Agreement; or any of the following acts on behalf of the Agency in relation to a Project Agreement or Financing Agreement or any other agreement related thereto.

- i Approve, execute or deliver any Project Agreement or any amendment or modification thereto (including, without limitation, extending any deadline);
- ii Terminate a Project Agreement;
- iii. Waive, or cause to be waived, any obligation of any other party to a Project Agreement.
- iv. Institute any action or proceeding to enforce any right of the Agency under any Project Agreement.
- v. Take any action expressly prohibited by any Project Agreement from being taken by the Designated Agent.

3. Term. This Agreement shall be effective upon the Effective Date and shall continue in

full force and effect until terminated as provided herein. This Agreement shall automatically terminate upon termination of the MSA or the entirety of the Project Agreements, for whatever reason. The Agency may terminate this Agreement immediately upon written notice to Designated Agent. Designated Agent may terminate this Agreement upon 120 days prior written notice to the Agency provided, however, that Designated Agent shall take affirmative steps to ensure the Agency's continued satisfaction of all covenants set forth in the Project Agreements including, without limitation, the Regulatory Agreement.

4. Duty of Care. Designated Agent agrees that all of its actions, exercises of discretion and obligations undertaken pursuant to this Agreement shall be performed in a manner consistent with the duties of care set forth in the MSA. This Agreement is intended to create, and shall create, a relationship of principal and agent between the Agency and Designated Agent and Designated Agent shall conduct its affairs with respect to this Agreement and the duties hereunder in a manner consistent with such relationship.

5. Representations. Designated Agent represents that it has read and is familiar with the contents of each of the Project Agreements and that it understands the nature of and is capable of performing its duties and obligations thereunder.

6. Fees and Limitation on Agency's Liability. Separate and distinct from any fees and expenses paid to Designated Agent under the MSA, the Agency shall pay Designated Agent a fee of \$25,000.00 annually for its services under this Agreement. Such payment shall be made in annual installments due at or about the time of payment of the Agency's annual administrative fees related to the Project. Designated Agent understands and agrees that all fees due Designated Agent under this Agreement are limited to the extent that monies are available and held by the Trustee, as defined in the Financing Agreements, and available therefor under and in accordance with the Indenture in the Financing Agreements, and provided, that the Agency shall not be required to incur any expense or liability in pursuing any claim against such monies for the benefit of Designated Agent. Designated Agent further acknowledges and agrees to look solely to the Trustee for payment of all of its costs, expenses, and compensation out of the Administrative Expenses Fund, as defined in the Financing Agreements, and that, to the extent that funds or property are held by the Trustee that are not sufficient for such purpose, Designated Agent will be unable to recover any such cost, expense, loss or damage from the Agency and will be unable to recover any such cost, expense, loss or damage from any other person; provided, however, that the foregoing acknowledgement shall not be deemed or construed as affecting or diminishing Designated Agent's right to indemnification, as provided in the Financing Documents.

7. Incorporation of MSA Terms by Reference. All terms of the MSA not otherwise modified or supplemented by this Agreement are hereby incorporated by reference.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned has executed this document as of the date noted above.

THE AGENCY:

CALIFORNIA COMMUNITY HOUSING
AGENCY

By: _____
Authorized Signatory

DESIGNATED AGENT:

GPM MUNICIPAL ADVISORS, LLC

By: _____

RESOLUTION NO. 21-07C

CALIFORNIA COMMUNITY HOUSING AGENCY

A RESOLUTION APPROVING THE DESIGNATED AGENT SERVICES AGREEMENT APPOINTING GPM MUNICIPAL ADVISORS, LLC, AS THE AGENCY'S DESIGNATED AGENT IN CERTAIN MATTERS RELATING TO THE ACQUISITION, OWNERSHIP AND OPERATION OF THE EXCHANGE AT BAYFRONT APARTMENTS

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the "Joint Exercise of Powers Act" (the "Act"), two or more California cities, counties and special districts (together with any other political subdivision that may from time to time be designated as an "Additional Member" of the Agency pursuant to the Joint Exercise Agreement, collectively, the "Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Community Housing Agency (the "Agency") was organized; and

WHEREAS, the Agency is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Agency is authorized and empowered under the Act and by the Agreement to, among other things, appoint agents and special advisers as the Agency finds necessary and fix their compensation; and

WHEREAS, pursuant to Resolution No. 21-08A, the Agency has approved the acquisition, ownership and operation of a multi-family residential complex known as The Exchange at Bayfront Apartments (the "Project") located in Hercules, California; and

WHEREAS, in order to efficiently and effectively fulfill its obligations under the various agreements related to the Project, as more particularly described in Resolution No. 21-08A, the Board of Directors of the Agency (the "Board") believes it to be in the Agency's best interests to delegate certain functions and powers belonging to the Agency related to the Project and the related agreements to GPM Municipal Advisors, LLC, which currently serves as the Agency's Program Manager; and

WHEREAS, GPM Municipal Advisors, LLC, has indicated a willingness to serve as the Agency's Designated Agent with respect to certain delegated functions and powers of the Agency in relation to the Project and the related agreements; and

WHEREAS, there has been made available to the Board prior to this meeting the proposed form of the Designated Agent Services Agreement.

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

Section 1. The Board hereby finds and declares that the designation of GPM Municipal Advisors, LLC, as the Agency's Designated Agent with respect to certain delegated functions and powers of the Agency in relation to the Project and the related agreements as hereinabove recited and otherwise set forth in the Designated Agent Services Agreement is within the powers conferred upon the Agency by the Act and the Agreement.

Section 2. The proposed form of Designated Agent Services Agreement, as presented to this meeting, is hereby approved. The Chair, the Vice Chair, the Secretary and other appropriate officers and agents of the Agency, including each Authorized Signatory, is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Designated Agent Services Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. All actions heretofore taken by the Chair, the Vice Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Agency with respect to the Project are hereby ratified, confirmed and approved.

Section 4. This Resolution shall take effect from and after its adoption.

Passed and adopted this 17th day of August, 2021

I, the undersigned, an Authorized Signatory of the California Community Housing Agency, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Agency at a duly called meeting of the Board of Directors of the Agency held in accordance with law on August 17, 2021.

CALIFORNIA COMMUNITY HOUSING AGENCY

Name: _____

Title: Authorized Signatory



4. **NEW BUSINESS**

- a. Consideration of Approving Resolution 21-07A, The Summit at Sausalito, City of Sausalito, County of Marin, California; authorize the acquisition and ownership of a multifamily rental housing facility and issue an amount not to exceed \$180,000,000 in revenue bonds. (Staff – Scott Carper / Mike LaPierre)

SUMMARY AND APPROVALS

<u>PROJECT:</u>	SUMMIT AT SAUSALITO
<u>AMOUNT:</u>	UP TO \$180,000,000 OF GOVERNMENTAL PURPOSE BONDS
<u>PURPOSE:</u>	FINANCING AND ACQUISITION OF A MULTIFAMILY RENTAL HOUSING FACILITY IN THE CITY OF SAUSALITO, CALIFORNIA
<u>PRIMARY ACTIVITY:</u>	ESSENTIAL / WORKFORCE HOUSING
<u>REVIEW DATE:</u>	AUGUST 17, 2021

Background:

Over the past several weeks, CalCHA staff and counsel have been in discussions with Catalyst Housing Group LLC (“Catalyst”) related to the acquisition of Summit At Sausalito, a 198-unit multifamily rental housing facility located at 401 Sherwood Drive, Sausalito, California (the “Project”). Though the Project is currently operated as a 100% market-rate rental community, CalCHA will impose income and rental restrictions, throughout the duration of its ownership, to ensure the Project’s affordability to households earning below 120% of Area Median Income (“AMI”).

On February 26, 2019 the Board of Directors approved and adopted a formal Asset Ownership Program setting forth the factors and considerations that will be taken into account in furtherance of CalCHA’s policy of providing benefit to the public through financial and other assistance to local governments and similar organizations and entities. The Project is another middle-income housing asset that, in conjunction with Catalyst, CalCHA is considering for placement in its asset ownership program.

This report will include details related to CalCHA’s possible acquisition including:

1. Overview of the financing.
2. Overview of documents relevant to transaction; and
3. Review of risks and protections.

Project Overview:

The Project is currently a market-rate rental community consisting of 198 multifamily units, all of which will become income and rent restricted under CalCHA's ownership. The Project's unit mix consists of 81 one-bedroom units and 117 two-bedroom units.

Interior apartment features include full-size washers and dryers, oversized windows, stainless steel appliances, vaulted ceilings, tile backsplash, and quartz countertops. The Project's community amenities include reserved parking, a heated swimming pool, an outdoor grilling area, spa, fitness center, and package delivery. The Project's location provides ample access to job centers like San Francisco and easy access to recreation opportunities in the nearby Marin Headlands.

CalCHA's Role

The Project is substantially similar in structure to the Annadel, Verdant, Serenity, Arbors, Aster, Creekwood, Mira Vista Hills, Next on Lex, Brio, and Fountains transactions, and thus CalCHA's roles and responsibilities in this transaction are substantially the same.

CalCHA is being asked to consider the issuance of up to \$180 million of governmental purpose bonds for (1) fee simple acquisition of the Project, (2) capitalized interest during initial years of operation, and (3) issuance costs, transaction fees and establishing certain reserve funds, including an extraordinary expense fund, related to the bonds.

The Project is currently controlled by Catalyst through a Real Estate Sale Agreement with existing ownership. Under the proposed financing structure, and through an Assignment and Assumption Agreement, CalCHA will issue up to \$180 million of tax-exempt governmental purpose bonds to acquire the Project. Upon acquisition, CalCHA will enter into a Property Management Agreement with Greystar California, Inc. ("Greystar") for day-to-day property operations. CalCHA will additionally enter into a Project Administration Agreement with Catalyst, to oversee property management, capital projects and financial reporting, among other responsibilities.

Greystar will be responsible for managing the Facilities pursuant to a Property Management Agreement. Greystar has been actively engaged in multifamily property management since its establishment in 1993 and currently operates out of over 53 offices serving more than 193 markets globally. Greystar has an approximately 660,000-unit international portfolio ranging from conventional, mixed use, affordable, senior living and renovations/value add products, with an affordable housing portfolio covering 170 communities representing approximately 7,400 spanning more than 20 states.

Catalyst is a privately held multifamily housing investor owned and controlled by Jordan Moss. Catalyst's principals have been actively engaged in institutional multifamily investment, acquisition, development financing and asset management since 2002 across \$3 billion of transactions.

Project Public Benefits

The public benefits of CalCHA's role as bond issuer and owner of the Project include the following:

1. CalCHA's acquisition of the Project will further the first-of-its-kind middle-income affordable housing program. Units will be income and rent restricted, throughout the duration of CalCHA's ownership, to ensure the Project's affordability to households earning no more than 120% of AMI. Residents will also benefit from caps on annual rental increases that may prove to be below allowable HUD increases. It is anticipated that the Project's affordability will continually increase over time as growth in area market-rate rents continually outpaces the Project's restricted rents.
2. CalCHA will adopt a non-displacement policy to allow for all existing Project residents to remain in their units as long as they wish. Upon natural turnover of the existing tenant population, CalCHA will release units to households meeting the Project's income requirements.
3. Consistent with the asset disposition policy under CalCHA's Asset Ownership Program, CalCHA will grant all excess Project revenues to the underlying jurisdiction (County of Marin) through a Purchase Option Agreement that will be executed at closing. It is anticipated that significant equity (market value less outstanding bond balance) will exist in the Project throughout Marin County's nineteen-year option period.
4. It is CalCHA's hope that these substantial revenues will be reinvested into additional affordable housing investment and development across varying income spectrums.

Financing Structure

CalCHA will enter into a Trust Indenture with Wilmington Trust, National Association (the "Trustee") and issue Series 2021 Bonds in an amount not-to-exceed \$180 million (the "Bonds"). The Bonds will be unrated and proceeds will be used to (i) finance the acquisition of the Project, (ii) fund deposits into the Project Fund, (iii) fund capitalized interest, (iv) fund capital reserves, (v) fund operating reserves, (vi) fund coverage reserves, (vii) fund debt service reserves, (viii) fund the CalCHA extraordinary expense fund, and (ix) pay certain transaction fees and costs of issuance. The final maturity of the Bonds shall not exceed 35 years, and the maximum interest rate is not anticipated to exceed 6.0% per annum. Pursuant to a Bond Purchase Agreement executed by Jefferies LLC, the Bonds will be sold to Qualified Institutional Buyers or Accredited Investors, in accordance with CalCHA's issuance policies.

Project Revenue Waterfall:

CalCHA will establish the following Funds and Accounts, all of which shall be held by the Trustee:

1. "Project Fund," and within such Fund the "Project Acquisition Account," "Series 2021 Capitalized Interest Account," the "Series 2021 Costs of Issuance Account" and "Project Operating Account";
2. "Revenue Fund";

3. “Debt Service Fund,” and within such fund a “Senior Debt Service Account”, a “Senior Redemption Account,” a “Subordinate Debt Service Account” and a “Subordinate Redemption Account”;
4. “Rebate Fund”;
5. “Extraordinary Expense Fund”;
6. “Capital Expense Fund”;
7. “Senior Debt Service Reserve Fund”, and within such fund separate accounts as may be established in connection with the issuance of Additional Senior Bonds;
8. “Operating Reserve Fund”;
9. “Coverage Reserve Fund”;
10. “Management Fee Fund”; and
11. “Excess Revenue Fund.”

Budgeted operating expenses, to be paid from the Project Operating Account, include monitoring fees, trustee fees, advisory fees, asset management fees, and other costs related to CalCHA’s continuing disclosure requirements.

The Bonds will be non-recourse against CalCHA. CalCHA is not responsible for any debt service on Bonds and is not responsible if there is a default on the Bonds. If such default were to occur, the Trustee would take over administration of the Project, and work at the direction of the Senior Bondholders (while any Senior Bonds are outstanding; otherwise at the direction of the Subordinate Bondholders) to continue operating the Project and collect all revenues or exercise any other default remedies available to it. If ongoing operations are not sufficient to generate necessary revenues to make payments to Bondholders, the Project would likely be foreclosed, and proceeds received would be paid to the Bondholders to attempt to make them whole.

Finance Team:

Project Owner:	California Community Housing Agency
Issuer of Bonds:	California Community Housing Agency
Special Issuer’s Counsel:	von Briesen & Roper, s.c. (serving in a limited role under supervision of regular Issuer’s Counsel, Orrick, Herrington & Sutcliffe LLP)
Underwriter:	Jefferies LLC
Underwriter’s Counsel:	Ballard Spahr LLP

Bond Counsel/Issuer’s Counsel: Orrick, Herrington & Sutcliffe LLP
Project Administrator: Catalyst Housing Group LLC
Project Administrator Counsel: Black Law Group PLLC
CalCHA Designated Agent: GPM Municipal Advisors, LLC
CalCHA Insurance Consultant: Woodruff, Sawyer & Co.
Trustee: Wilmington Trust, National Association
Trustee’s Counsel: Taboada Rochlin Govier LLP
Continuing Disclosure Services: BLX Group

Project Documents:

The following is a summary of the documents submitted to the Board for approval. A brief explanation is provided below with the supporting documents attached:

Board Information Materials

CalCHA Staff Report

Insurance Consultant Report Prepared on CalCHA’s behalf by Woodruff, Sawyer & Co.

Designated Agent Materials

Designated Agent Agreement Agreement between CalCHA and GPM which provides for non-standard (outside the scope of the Master Services Agreement) services undertaken on CalCHA’s behalf in connection with the acquisition and operation of the Project, including budgeting and capital expenditures, etc. (see “Project Administration Agreement,” below). The Designated Agent does not, however, have the authority to take certain fundamental actions such as terminating or amending any agreement or initiating any legal action to enforce any agreement without further Board approval.

Real Estate Documents

Indenture & Master Glossary This is a fairly standard bond indenture which, as with all asset ownership transactions, will include a Coverage

Reserve Account (“CRA”) and an Extraordinary Expense Fund (“EEF”). The money in the CRA will be available solely to pay debt service on the Bonds in the event of shortfall and will otherwise be counted for the purpose of determining debt coverage ratio on the Bonds. The CRA will be fully funded \$940,327.00 at Closing out of bond proceeds, and any money used to pay debt service will be replenished out of available Surplus Fund revenues to maintain a \$940,327.00 minimum balance at all times. The EEF will be available solely to pay “extraordinary (non-budgeted) expenses, if any, incurred from time to time by CalCHA. The EEF will be fully funded at \$500,000 at Closing out of bond proceeds, and any money spent by CalCHA will be replenished out of available operating revenues to maintain a \$500,000 minimum balance at all times. As a backup, other Indenture Funds may be accessed, if needed, to pay CalCHA Extraordinary Expenses. Upon payment in full for the Bonds, funds in the EEF will be transferred to CalCHA to use for future extraordinary costs and otherwise at the Board’s discretion.

Financing Documents

Preliminary Limited Offering Memorandum

Bond Purchase Agreement

Mortgage

Deposit Account Control Agreement

Bond Resolution

Management & Operation Documents

Project Administration Agreement A project administration agreement between CalCHA and Catalyst providing for the asset management of the Project. Catalyst’s responsibilities include oversight of Greystar, which is responsible for all day-to-day operations, maintenance, collections, expenses, etc. Some of its activities (such as annual budgets) will be subject to approval of CalCHA who will act through GPM as its “Designated Agent.”

Property Management Agreement A comprehensive agreement between CalCHA and Greystar providing for the day-to-day property management of the

Project. Greystar responsibilities will include operations, maintenance, accounting, reporting, marketing, collecting income and paying expenses, among other things.

There are other documents and agreements ancillary to the underlying real estate, financing, and asset transactions. Those documents are not provided with this report because they are either (a) ancillary to a document identified above; or (b) routine documents necessary to effectuate the transaction, but otherwise non-substantive.

Oversight, Risks, and Protections

CalCHA will separately engage GPM Municipal Advisors, LLC (“GPM”), to serve as its Designated Agent to engage any necessary advisors or consultants on behalf of CalCHA to help evaluate the Manager’s performance and the financial performance and operations of the Project and otherwise act as CalCHA’s representative in connection with certain matters involving the Project and the Bonds. GPM has already engaged Woodruff, Sawyer & Co. to serve as CalCHA’s independent insurance consultant.

Risks & Protections

There are certain risks associated with this Project that are different from the risks to which CalCHA is accustomed in conduit bond transactions. CalCHA will be the owner of the Project. While the contract and bond documents provide CalCHA with sources of revenue, certain waivers of liability and certain indemnity, there are potential liabilities that accrue to the owner of such a facility that cannot be eliminated. The following protections to CalCHA are included within the transaction to mitigate, to the greatest extent, the risks to CalCHA associated with the Project:

1. **Contractual Indemnity** – Unlike a conduit transaction, there is no “borrower” to provide indemnification to CalCHA for any and all conceivable expenses and liabilities/losses associated with the Bonds and the Project. In the typical conduit transaction, the Borrower indemnifies CalCHA against these liabilities regardless of whether they are caused by the borrower through negligence or breach of contract, and regardless of whether they are caused by CalCHA (except in the case of CalCHA’s willful misconduct). As an alternative to the traditional indemnity CalCHA would receive in a conduit transaction, this transaction establishes a \$500,000 extraordinary expense fund that CalCHA may access to pay for any unforeseen expenses and liabilities. The extent of Greystar and Catalyst’s respective indemnity obligations are limited by contract and applicable law.
2. **Default** - The Bonds are non-recourse against CalCHA. CalCHA is not responsible for any debt service on Bonds beyond the revenues of the Project and is not responsible if there is a default on the Bonds. If such default were to occur the Trustee would take over administration of the Project, and work with Bondholders to continue operations of the Project and collecting revenues. If revenues from ongoing operations were not sufficient to support debt service on and amortize the Bonds, CalCHA would be in default and the Project would most likely be foreclosed, and foreclosure/sale proceeds

received would be paid to the Bondholders but only after the fees, costs and expenses of the Trustee and of CalCHA are covered.

3. Recourse Beyond Cash Flow - Neither the Project Administration Agreement, the Management Agreement nor the Bond documents provide any recourse against CalCHA beyond what is covered by the net cash flow from the operation of the Project.
4. Extraordinary Expense Account - As discussed above.
5. Insurance - Woodruff, Sawyer & Co. has been engaged as an independent insurance consultant to develop an insurance package to address the liability risks related to the ownership of the Project by CalCHA. Given CalCHA's status as owner, there are certain risks and liabilities beyond those associated with the Project itself that cannot be transferred to a third party by contract. As outlined above, coverage will be provided in all the necessary areas.
6. Bond Covenants - As with any commercial lending contract, the Bond Indenture has certain provisions designed to anticipate and address issues regarding performance of the assets. Quarterly financial reports and annual audited financial statements are required. In addition, if the Project fails to meet and maintain certain financial ratios, the Project will be required to engage an outside expert to review and make recommendations regarding performance and Catalyst will be required to cooperate with CalCHA to implement those recommendations.

Approvals:

Written approval of the financing of the Project by the CalCHA has been obtained from Marin County in accordance with the Joint Exercise Agreement. Bond counsel has advised that TEFRA approval is not required as the Bonds are "governmental purpose bonds" under the Internal Revenue Code.

Based on the overall public benefit of the Project and meeting CalCHA's finance related policies, it is recommended that the Board approve the Resolution as submitted, which:

1. Approves the issuance of the Bonds and ownership of the Project by CalCHA as described above;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

RESOLUTION NO. 21-07A

CALIFORNIA COMMUNITY HOUSING AGENCY

A RESOLUTION AUTHORIZING A PROJECT CONSISTING OF THE ACQUISITION AND OWNERSHIP BY THE AGENCY OF A MULTIFAMILY RENTAL HOUSING FACILITY LOCATED IN THE COUNTY OF MARIN, CALIFORNIA AND THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000 TO FINANCE THE COSTS OF THE PROJECT AND CERTAIN RELATED COSTS AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the “Joint Exercise of Powers Act” (the “Act”), a number of California cities, counties and special districts (together with any other political subdivision that may from time to time be designated as an “Additional Member” of the Agency pursuant to the Joint Exercise Agreement, collectively, the “Members”) entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Community Housing Agency (the “Agency”) was organized; and

WHEREAS, the Agency is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Agency wishes to acquire and provide for the continued operation of a multifamily rental housing facility (the “Project”) located in the County of Marin, State of California (the “Project Jurisdiction”); and

WHEREAS, pursuant to a Trust Indenture (the “Indenture”) between the Agency and Wilmington Trust, National Association (the “Trustee”), the Agency will issue its Senior Essential Housing Revenue Bonds (Summit at Sausalito Apartments) (the “Senior Bonds”), Junior Essential Housing Revenue Bonds (Summit at Sausalito Apartments) (the “Junior Bonds”) and, together with the Senior Bonds, the “Class A Bonds”) and Subordinate Essential Housing Revenue Bonds (Summit at Sausalito Apartments) (the “Subordinate Bonds”) and, together with the Class A Bonds, the “Bonds”) for the purpose of, among others things, acquiring the Project; and

WHEREAS, Catalyst Housing Group LLC, a California limited liability company (collectively with its affiliates, "Catalyst") will assign and the Agency will assume (with certain exceptions) the rights and responsibilities of that certain Real Estate Sale Agreement entered on July 15, 2021, between Catalyst, as buyer, and Archstone Sausalito LP, a Delaware limited partnership, as seller (the "Seller"), pursuant to an Assignment and Assumption Agreement of Purchase and Sale Agreement (the "Assignment and Assumption Agreement"), by and between Catalyst and the Agency, for an acquisition price (the "Purchase Price") paid as follows: (i) assumption by the Agency of certain liabilities associated with the Project; (ii) a cash payment to the Seller of not to exceed \$122,000,000 (subject to adjustment for, among other things, valuations and prorations) from a portion of the proceeds of the Class A Bonds; and (iii) an upfront payment to Catalyst and issuance and delivery to, or as directed by, Catalyst of the Subordinate Bonds, as assignor under the Assignment and Assumption Agreement; and

WHEREAS, the Bonds will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing (the "Deed of Trust") from the Agency to the Trustee granting a lien on the Agency's interest in the Project in favor of the Trustee for the benefit of the owners from time to time of the Bonds; and

WHEREAS, the Agency will agree, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), between the Agency and the Trustee, to maintain certain occupancy and rent restrictions on the Project, which shall be in effect with respect to the Project until the payment or defeasance in full of the Bonds; and

WHEREAS, following the Agency's purchase thereof, the Project will be operated by Greystar California, Inc., a Delaware corporation, and/or any other property manager to be named (the "Property Manager") pursuant to a Property Management Agreement (the "Management Agreement") between the Agency and the Property Manager; and

WHEREAS, Catalyst is knowledgeable and experienced in managing affordable housing projects, and the Agency wishes to engage Catalyst to provide the asset management, oversight and administration services specified in and pursuant to a Project Administration Agreement (the "Project Administration Agreement") between the Agency and Catalyst; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Class A Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

WHEREAS, pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Agency and Jefferies LLC (the "Underwriter"), the Underwriter will agree to purchase the Class A Bonds, and pursuant to the distribution of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the Class A Bonds will be offered and sold in accordance with the Agency's issuance policies exclusively to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act of 1933, as amended, the "Securities Act") or Accredited Investors as described in Rule 501 of Regulation D under the Securities Act, and the proceeds of such sale will be used as set forth in the Indenture to finance, among other things, the Agency's acquisition of the Project; and

WHEREAS, pursuant to the Indenture, the Subordinate Bonds will be issued and delivered to, or as directed by, Catalyst or an affiliate thereof, as part of the Purchase Price of the Project; and

WHEREAS, the Agency will enter into a Purchase Option Agreement (the “Purchase Option Agreement”) with the Project Jurisdiction pursuant to which the Agency will grant to the Project Jurisdiction the exclusive option to purchase the Project for a period commencing approximately 15 years after the issuance of the Bonds and terminating approximately 20 years thereafter, upon payment of the option price, as set forth therein; and

WHEREAS, the Project Jurisdiction has by resolution and execution of the Agreement, become an Additional Member (as defined in the Agreement) of the Agency, and has approved the issuance of bonds for projects within the Project Jurisdiction and authorized the Purchase Option Agreement with the Agency in recognition of the significant public benefits of the Project and in support of the Agency’s issuance of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Agency will deliver a tax certificate setting forth certain representations, expectations and covenants of the Agency pertaining to the tax status of the Bonds (the “Tax Certificate”); and

WHEREAS, in order to provide ongoing information to the purchasers of the Bonds, the Agency proposes to enter into a Continuing Disclosure Agreement to be dated the date of issuance of the Bonds (the “Continuing Disclosure Agreement”), between the Agency and the dissemination agent named therein; and

WHEREAS, the Board of Directors of the Agency (the “Board”), based on representations of Catalyst, but without independent investigation, has found and determined that the issuance of the Bonds and financing of the acquisition of the Project will promote significant public benefits for the Project Jurisdiction, including employment benefits from undertaking the Project in a timely fashion, more efficient delivery of local agency services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; and

WHEREAS, there have been made available to the Board prior to this meeting proposed forms of:

- (1) the Indenture (including a Master Glossary of Terms and the proposed forms of the Bonds);
- (2) the Assignment and Assumption Agreement;
- (3) the Deed of Trust;
- (4) the Regulatory Agreement;
- (5) the Management Agreement;
- (6) the Project Administration Agreement;

- (7) the Bond Purchase Agreement;
- (8) the Continuing Disclosure Agreement;
- (9) the Purchase Option Agreement; and
- (10) the Limited Offering Memorandum.

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

Section 1. The Board hereby finds and declares that the Agency’s acquisition and continued operation of the Project and the financing thereof through the issuance of the Bonds as hereinabove recited are in furtherance of the public purposes of the Act, the Joint Exercise Agreement and the foregoing recitals and is within the powers conferred upon the Agency by the Act and the Joint Exercise Agreement.

Section 2. Pursuant to the Act, the Joint Exercise Agreement and the Indenture, the Agency is hereby authorized to issue its revenue bonds designated as the “California Community Housing Agency Senior Essential Housing Revenue Bonds (Summit at Sausalito Apartments),” “California Community Housing Agency Junior Essential Housing Revenue Bonds (Summit at Sausalito Apartments),” and the “California Community Housing Agency Subordinate Essential Housing Revenue Bonds (Summit at Sausalito Apartments)” with appropriate series and sub-series designations as necessary, including, if and to the extent necessary, one or more series or sub-series of taxable obligations, in an aggregate principal amount not to exceed \$180,000,000. The Bonds shall be issued and secured in accordance with the terms of the Indenture and shall be in substantially the forms contained in the Indenture and presented at this meeting. The final maturity of the Class A Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate to be borne by the Class A Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The final maturity of the Subordinate Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate with respect to the Subordinate Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee, as paying agent and registrar, or at the office of any successor or additional paying agent and registrar in accordance with the Indenture. The Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture.

Section 3. The Bonds shall be executed on behalf of the Agency by the manual or facsimile signature of the Chair of the Agency or the manual signature of any member of the Board of Directors of the Agency or their administrative delegates duly authorized pursuant to Resolution No. 20-03C of the Agency, adopted on September 8, 2020 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Agency or the manual signature of any Authorized Signatory. The facsimile, electronic or digital signature of any Authorized Signatory shall be deemed to be the legal equivalent of a manual signature on the Bonds and other documents and valid and binding for all purposes. If any Authorized Signatory whose signature, countersignature or attestation appears on a Bond or Bond-related document ceases to

be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond-related document (regardless of whether any such Bond-related document is specifically identified in this Resolution) is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 4. The proposed form of Indenture, including the proposed forms of Bonds, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Indenture and an Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated dates, maturity date or dates, interest rate or rates, the amounts and timing and application of deposits to the funds or accounts, interest and principal payment periods and date or dates, principal amounts, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, conditions for issuance of additional bonds, covenants, whether such Bonds are tax-exempt or taxable and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 5. The purchase of the Project and related assets by the Agency, on the terms set forth in the Assignment and Assumption Agreement, is hereby approved. The proposed form of Assignment and Assumption Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Assignment and Assumption Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Assignment and Assumption Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Purchase Price of the Project shall be paid as follows: (i) assumption by the Agency of certain liabilities associated with the Project; (ii) a cash payment to the Seller of not to exceed \$122,000,000 (subject to adjustment for, among other things, valuations and prorations) from a portion of the proceeds of the Class A Bonds; and (iii) an upfront payment to Catalyst and issuance and delivery to, or as directed by, Catalyst of the Subordinate Bonds, as assignor under the Assignment and Assumption Agreement.

Section 6. The grant by the Agency to the Trustee of a lien on and security interest in the Project, pursuant to and on the terms set forth in the Deed of Trust, is hereby approved. The proposed form of Deed of Trust, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Deed of Trust in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The rent and occupancy restrictions placed on the Project pursuant to and on the terms set forth in the Regulatory Agreement are hereby approved. The proposed form of Regulatory Agreement, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Regulatory Agreement

in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The engagement of the Property Manager to manage and operate the Project on the Agency's behalf, and the delegation to the Property Manager of certain powers to act in its discretion on behalf of the Agency in connection therewith, in accordance with the terms and provisions of the Management Agreement, are hereby approved. The proposed form of Management Agreement, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Management Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The engagement of Catalyst to provide asset management, oversight and administration services for the Project on the Agency's behalf, and the delegation to Catalyst of certain powers to act in its discretion on behalf of the Agency in connection therewith, in accordance with the terms and provisions of the Project Administration Agreement, are hereby approved. The proposed form of Project Administration Agreement, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Project Administration Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The proposed form of Limited Offering Memorandum relating to the Class A Bonds is hereby approved. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver a Limited Offering Memorandum in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The Underwriter is hereby appointed as underwriter of the Bonds. The Agency consents to the distribution by the Underwriter of the preliminary form of Limited Offering Memorandum to persons who may be interested in the purchase of the Class A Bonds and its delivery of the Limited Offering Memorandum in final form to the purchasers of the Class A Bonds, in each case with such changes as may be approved as aforesaid.

Section 12. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Bond Purchase Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve.

Section 13. The proposed form of Continuing Disclosure Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations

under the Continuing Disclosure Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve.

Section 14. The proposed form of the Purchase Option Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Purchase Option Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Purchase Option Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 15. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver a Tax Certificate, in such form as such Authorized Signatory, with the advice of Bond Counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. The Bonds, when executed as provided in Section 3 and as provided in the Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, in accordance with written instructions executed on behalf of the Agency by an Authorized Signatory. Such instructions shall provide for the delivery of the Bonds upon payment of the purchase price thereof.

Section 17. The Chair, the Vice Chair, the Secretary and other appropriate officers and agents of the Agency, including each Authorized Signatory, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Agency, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with acquiring, equipping, owning and operating the Project, securing insurance related to the Project, investing proceeds of the Bonds or revenues of the Project, or credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Agency has approved in this Resolution and to consummate by the Agency the transactions contemplated by the documents approved hereby, including entering into guaranty agreements, security agreements, pledge agreements, collateral assignments, direct agreements and/or consents to assignment with respect to documents entered into by the Agency, Catalyst or the Property Manager in connection with the Project and assisting in the preparation of the Limited Offering Memorandum, and any other or subsequent agreements, supplements, instruments, amendments, approvals, authorizations, directions, certifications, waivers or consents entered into or given in accordance with such documents including any letter agreements with the Project Jurisdiction. It is not necessary that the Bonds and various documents authorized hereby or otherwise relating to the Bonds all be signed by the same Authorized Signatory.

Section 18. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be

permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 19. All actions heretofore taken by the Chair, the Vice Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Agency with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 20. This Resolution shall take effect from and after its adoption; provided, that no Bond authorized hereby shall be issued unless and until the Agency has been furnished with satisfactory evidence of the approvals by the Project Jurisdiction as hereinabove recited.

PASSED AND ADOPTED on the 17th day of August, 2021

I, the undersigned, an Authorized Signatory of the California Community Housing Agency, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Agency at a duly called meeting of the Board of Directors of the Agency held in accordance with law on August 17, 2021.

**CALIFORNIA COMMUNITY HOUSING
AGENCY**

Name: _____

Title: Authorized Signatory

Exhibit A

Required Disclosures Pursuant to California Government Code Section 5852.1

1. True Interest Cost of the Class A Bonds (Estimated): 3.072% (to maturity)
2. Finance charge of the Class A Bonds, being the sum of all fees and charges paid to third parties (Estimated): \$6,566,381.91
3. Proceeds of the Class A Bonds expected to be received by the Agency, net of proceeds for Costs of Issuance in (2) above, and reserves (if any) to be paid from the principal amount of the Class A Bonds (Estimated): \$124,831,887.60
4. Total Payment Amount for the Class A Bonds, being the sum of all debt service to be paid on the Class A Bonds to final maturity (Estimated): \$264,133,293.89

*All amounts and percentages are estimates, and are made in good faith by the Agency based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Class A Bonds.



4. NEW BUSINESS

- b. Consideration of Approving Resolution 21-08A, The Exchange at Bayfront, City of Hercules, County of Contra Costa, California; authorize the acquisition and ownership of a multifamily rental housing facility and issue an amount not to exceed \$165,000,000 in revenue bonds. (Staff – Scott Carper / Mike LaPierre)

SUMMARY AND APPROVALS

<u>PROJECT:</u>	THE EXCHANGE AT BAYFRONT
<u>AMOUNT:</u>	UP TO \$165,000,000 OF GOVERNMENTAL PURPOSE BONDS
<u>PURPOSE:</u>	FINANCING AND ACQUISITION OF A MULTIFAMILY RENTAL HOUSING FACILITY IN THE CITY OF HERCULES, CALIFORNIA
<u>PRIMARY ACTIVITY:</u>	ESSENTIAL / WORKFORCE HOUSING
<u>REVIEW DATE:</u>	AUGUST 17, 2021

Background:

Over the past several weeks, CalCHA staff and counsel have been in discussions with Catalyst Housing Group LLC (“Catalyst”) related to the acquisition of The Exchange at Bayfront, a 172-unit multifamily rental housing facility located at 2525 Bayfront Blvd., Hercules, California (the “Project”). Though the Project is currently operated as a 100% market-rate rental community, CalCHA will impose income and rental restrictions, throughout the duration of its ownership, to ensure the Project’s affordability to households earning below 120% of Area Median Income (“AMI”).

On February 26, 2019 the Board of Directors approved and adopted a formal Asset Ownership Program setting forth the factors and considerations that will be taken into account in furtherance of CalCHA’s policy of providing benefit to the public through financial and other assistance to local governments and similar organizations and entities. The Project is another middle-income housing asset that, in conjunction with Catalyst, CalCHA is considering for placement in its asset ownership program.

This report will include details related to CalCHA’s possible acquisition including:

1. Overview of the financing.
2. Overview of documents relevant to transaction; and
3. Review of risks and protections.

Project Overview:

The Project is currently a market-rate rental community consisting of 172 multifamily units, all of which will become income and rent restricted under CalCHA's ownership. The Project's unit mix consists of 21 studios, 61 one-bedroom units, 78 two-bedroom units and 12 three-bedroom units.

Interior apartment features include full-size washers and dryers, faux wood flooring, stainless steel appliances, quartz countertops, and A/C and heating. Premium residences include Bay views, cathedral ceilings, in-unit storage, and patios. The project's community amenities include clubroom, courtyards with fire pits, BBQ station, a rooftop deck, fitness center, Bay access, resident conference room pet washing station, EV stations, branded bikes, and package lockers. The Project also includes approximately 14,000 square feet of retail space that is mostly leased. The Project's location provides easy access for residents to public transit nearby and the Project is a pet friendly community.

CalCHA's Role

The Project is substantially similar in structure to the Annadel, Verdant, Serenity, Arbors, Aster, Creekwood, Mira Vista Hills, Next on Lex, and Brio transactions, and thus CalCHA's roles and responsibilities in this transaction are substantially the same.

CalCHA is being asked to consider the issuance of up to \$165 million of governmental purpose bonds for (1) fee simple acquisition of the Project, (2) capitalized interest during initial years of operation, and (3) issuance costs, transaction fees and establishing certain reserve funds, including an extraordinary expense fund, related to the bonds.

The Project is currently controlled by Catalyst through a Real Estate Sale Agreement with existing ownership. Under the proposed financing structure, and through an Assignment and Assumption Agreement, CalCHA will issue up \$165 million of tax-exempt governmental purpose bonds to acquire the Project. Upon acquisition, CalCHA will enter into a Property Management Agreement with Greystar California, Inc. ("Greystar") for day-to-day property operations. CalCHA will additionally enter into a Project Administration Agreement with Catalyst, to oversee property management, capital projects and financial reporting, among other responsibilities.

Greystar will be responsible for managing the Facilities pursuant to a Property Management Agreement. Greystar has been actively engaged in multifamily property management since its establishment in 1993 and currently operates out of over 53 offices serving more than 193 markets globally. Greystar has an approximately 660,000-unit international portfolio ranging from conventional, mixed use, affordable, senior living and renovations/value add products, with an affordable housing portfolio covering 170 communities representing approximately 7,400 spanning more than 20 states.

Catalyst is a privately held multifamily housing investor owned and controlled by Jordan Moss. Catalyst's principals have been actively engaged in institutional multifamily investment, acquisition, development financing and asset management since 2002 across \$3 billion of transactions.

Project Public Benefits

The public benefits of CalCHA's role as bond issuer and owner of the Project include the following:

1. CalCHA's acquisition of the Project will further the first-of-its-kind middle-income affordable housing program. Units will be income and rent restricted, throughout the duration of CalCHA's ownership, to ensure the Project's affordability to households earning 80-120% of AMI. Residents will also benefit from caps on annual rental increases that may prove to be below allowable HUD increases. It is anticipated that the Project's affordability will continually increase over time as growth in area market-rate rents continually outpaces the Project's restricted rents.
2. CalCHA will adopt a non-displacement policy to allow for all existing Project residents to remain in their units as long as they wish. Upon natural turnover of the existing tenant population, CalCHA will release units to households meeting the Project's income requirements.
3. Consistent with the asset disposition policy under CalCHA's Asset Ownership Program, CalCHA will grant all excess Project revenues to the underlying jurisdiction (City of Hercules) through a Public Benefit Agreement that will be executed at closing. It is anticipated that significant equity (market value less outstanding bond balance) will exist in the Project throughout the City of Hercules' nineteen-year option period.
4. It is CalCHA's hope that these substantial revenues will be reinvested into additional affordable housing investment and development across varying income spectrums.

Financing Structure

CalCHA will enter into a Trust Indenture with Wilmington Trust, National Association (the "Trustee") and issue Series 2021 Bonds in an amount not-to-exceed \$165 million (the "Bonds"). The Bonds will be unrated and proceeds will be used to (i) finance the acquisition of the Project, (ii) fund deposits into the Project Fund, (iii) fund capitalized interest, (iv) fund capital reserves, (v) fund operating reserves, (vi) fund coverage reserves, (vii) fund debt service reserves, (viii) fund the CalCHA extraordinary expense fund, and (ix) pay certain transaction fees and costs of issuance. The final maturity of the Bonds shall not exceed 35 years, and the maximum interest rate is not anticipated to exceed 6.0% per annum. Pursuant to a Bond Purchase Agreement executed by Jefferies LLC, the Bonds will be sold to Qualified Institutional Buyers or Accredited Investors, in accordance with CalCHA's issuance policies.

Project Revenue Waterfall:

CalCHA will establish the following Funds and Accounts, all of which shall be held by the Trustee:

1. "Project Fund," and within such Fund the "Project Acquisition Account," "Series 2021 Capitalized Interest Account," the "Series 2021 Costs of Issuance Account" and "Project Operating Account;

2. "Revenue Fund";
3. "Debt Service Fund," and within such fund a "Senior Debt Service Account", a "Senior Redemption Account," a "Subordinate Debt Service Account" and a "Subordinate Redemption Account";
4. "Rebate Fund";
5. "Extraordinary Expense Fund";
6. "Capital Expense Fund";
7. "Senior Debt Service Reserve Fund", and within such fund separate accounts as may be established in connection with the issuance of Additional Senior Bonds;
8. "Operating Reserve Fund";
9. "Coverage Reserve Fund";
10. "Management Fee Fund"; and
11. "Excess Revenue Fund."

Budgeted operating expenses, to be paid from the Project Operating Account, include monitoring fees, trustee fees, advisory fees, asset management fees, and other costs related to CalCHA's continuing disclosure requirements.

The Bonds will be non-recourse against CalCHA. CalCHA is not responsible for any debt service on Bonds and is not responsible if there is a default on the Bonds. If such a default were to occur, the Trustee would take over administration of the Project, and work at the direction of the Senior Bondholders (while any Senior Bonds are outstanding; otherwise at the direction of the Subordinate Bondholders) to continue operating the Project and collect all revenues or exercise any other default remedies available to it. If ongoing operations are not sufficient to generate necessary revenues to make payments to Bondholders, the Project would likely be foreclosed, and proceeds received would be paid to the Bondholders to attempt to make them whole.

Finance Team:

Project Owner:	California Community Housing Agency
Issuer of Bonds:	California Community Housing Agency
Special Issuer's Counsel:	von Briesen & Roper, s.c. (serving in a limited role under supervision of regular Issuer's Counsel, Orrick, Herrington & Sutcliffe LLP)
Underwriter:	Jefferies LLC

Underwriter’s Counsel: Ballard Spahr LLP
Bond Counsel/Issuer’s Counsel: Orrick, Herrington & Sutcliffe LLP
Project Administrator: Catalyst Housing Group LLC
Project Administrator Counsel: Black Law Group PLLC
CalCHA Designated Agent: GPM Municipal Advisors, LLC
CalCHA Insurance Consultant: Woodruff, Sawyer & Co.
Trustee: Wilmington Trust, National Association
Trustee’s Counsel: Taboada Rochlin Govier LLP
Continuing Disclosure Services: BLX Group

Project Documents:

The following is a summary of the documents submitted to the Board for approval. A brief explanation is provided below with the supporting documents attached:

Board Information Materials

CalCHA Staff Report

Designated Agent Materials

Designated Agent Agreement

Agreement between CalCHA and GPM which provides for non-standard (outside the scope of the Master Services Agreement) services undertaken on CalCHA’s behalf in connection with the acquisition and operation of the Project, including budgeting and capital expenditures, etc. (see “Project Administration Agreement,” below). The Designated Agent does not, however, have the authority to take certain fundamental actions such as terminating or amending any agreement or initiating any legal action to enforce any agreement without further Board approval.

Real Estate Documents

Indenture & Master Glossary

This is a fairly standard bond indenture which, as with all asset ownership transactions, will include a Coverage

Reserve Account (“CRA”) and an Extraordinary Expense Account (“EEF”). The money in the CRA will be available solely to pay debt service on the Bonds in the event of shortfall and will otherwise be counted for the purpose of determining debt coverage ratio on the Bonds. The CRA will be fully funded at \$963,397.00 at Closing out of bond proceeds, and any money used to pay debt service will be replenished out of available Surplus Fund revenues to maintain a \$963,397.00 minimum balance at all times. The EEF will be available solely to pay “extraordinary (non-budgeted) expenses, if any, incurred from time to time by CalCHA. The EEF will be fully funded at \$500,000 at Closing out of bond proceeds, and any money spent by CalCHA will be replenished out of available operating revenues to maintain a \$500,000 minimum balance at all times. As a backup, other Indenture Funds may be accessed, if needed, to pay CalCHA Extraordinary Expenses. Upon payment in full for the Bonds, funds in the EEF will be transferred to CalCHA to use for future extraordinary costs and otherwise at the Board’s discretion.

Financing Documents

Preliminary Limited Offering Memorandum

Bond Purchase Agreement

Mortgage

Deposit Account Control Agreement

Bond Resolution

Management & Operation Documents

Project Administration Agreement A project administration agreement between CalCHA and Catalyst providing for the asset management of the Project. Catalyst’s responsibilities include oversight of Greystar, which is responsible for all day-to-day operations, maintenance, collections, expenses, etc. Some of its activities (such as annual budgets) will be subject to approval of CalCHA who will act through GPM as its “Designated Agent.”

Property Management Agreement A comprehensive agreement between CalCHA and Greystar providing for the day-to-day property management of the

Project. Greystar responsibilities will include operations, maintenance, accounting, reporting, marketing, collecting income and paying expenses, among other things.

There are other documents and agreements ancillary to the underlying real estate, financing, and asset transactions. Those documents are not provided with this report because they are either (a) ancillary to a document identified above; or (b) routine documents necessary to effectuate the transaction, but otherwise non-substantive.

Oversight, Risks, and Protections

CalCHA will separately engage GPM Municipal Advisors, LLC (“GPM”), to serve as its Designated Agent to engage any necessary advisors or consultants on behalf of CalCHA to help evaluate the Manager’s performance and the financial performance and operations of the Project and otherwise act as CalCHA’s representative in connection with certain matters involving the Project and the Bonds. GPM has already engaged Woodruff, Sawyer & Co. to serve as CalCHA’s independent insurance consultant.

Risks & Protections

There are certain risks associated with this Project that are different from the risks to which CalCHA is accustomed in conduit bond transactions. CalCHA will be the owner of the Project. While the contract and bond documents provide CalCHA with sources of revenue, certain waivers of liability and certain indemnity, there are potential liabilities that accrue to the owner of such a facility that cannot be eliminated. The following protections to CalCHA are included within the transaction to mitigate, to the greatest extent, the risks to CalCHA associated with the Project:

1. Contractual Indemnity – Unlike a conduit transaction, there is no “borrower” to provide indemnification to CalCHA for any and all conceivable expenses and liabilities/losses associated with the Bonds and the Project. In the typical conduit transaction, the Borrower indemnifies CalCHA against these liabilities regardless of whether they are caused by the borrower through negligence or breach of contract, and regardless of whether they are caused by CalCHA (except in the case of CalCHA’s willful misconduct). As an alternative to the traditional indemnity CalCHA would receive in a conduit transaction, this transaction establishes a \$500,000 extraordinary expense fund that CalCHA may access to pay for any unforeseen expenses and liabilities. The extent of Greystar and Catalyst’s respective indemnity obligations are limited by contract and applicable law.
2. Default - The Bonds are non-recourse against CalCHA. CalCHA is not responsible for any debt service on Bonds beyond the revenues of the Project and is not responsible if there is a default on the Bonds. If such default were to occur the Trustee would take over administration of the Project, and work with Bondholders to continue operations

of the Project and collecting revenues. If revenues from ongoing operations were not sufficient to support debt service on and amortize the Bonds, CalCHA would be in default and the Project would most likely be foreclosed, and foreclosure/sale proceeds received would be paid to the Bondholders but only after the fees, costs and expenses of the Trustee and of CalCHA are covered.

3. Recourse Beyond Cash Flow - Neither the Project Administration Agreement, the Management Agreement nor the Bond documents provide any recourse against CalCHA beyond what is covered by the net cash flow from the operation of the Project.
4. Extraordinary Expense Account - As discussed above.
5. Insurance - Woodruff, Sawyer & Co. has been engaged as an independent insurance consultant to develop an insurance package to address the liability risks related to the ownership of the Project by CalCHA. Given CalCHA's status as owner, there are certain risks and liabilities beyond those associated with the Project itself that cannot be transferred to a third party by contract. As outlined above, coverage will be provided in all the necessary areas.
6. Bond Covenants - As with any commercial lending contract, the Bond Indenture has certain provisions designed to anticipate and address issues regarding performance of the assets. Quarterly financial reports and annual audited financial statements are required. In addition, if the Project fails to meet and maintain certain financial ratios, the Project will be required to engage an outside expert to review and make recommendations regarding performance and Catalyst will be required to cooperate with CalCHA to implement those recommendations.

Approvals:

Written approval of the financing of the Project by the CalCHA has been obtained from the City of Hercules in accordance with the Joint Exercise Agreement. Bond counsel has advised that TEFRA approval is not required as the Bonds are "governmental purpose bonds" under the Internal Revenue Code.

Based on the overall public benefit of the Project and meeting CalCHA's finance related policies, it is recommended that the Board approve the Resolution as submitted, which:

1. Approves the issuance of the Bonds and ownership of the Project by CalCHA as described above;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

RESOLUTION NO. 21-08A

CALIFORNIA COMMUNITY HOUSING AGENCY

A RESOLUTION AUTHORIZING A PROJECT CONSISTING OF THE ACQUISITION AND OWNERSHIP BY THE AGENCY OF A MULTIFAMILY RENTAL HOUSING FACILITY LOCATED IN THE CITY OF HERCULES, CALIFORNIA AND THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$165,000,000 TO FINANCE THE COSTS OF THE PROJECT AND CERTAIN RELATED COSTS AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the “Joint Exercise of Powers Act” (the “Act”), a number of California cities, counties and special districts (together with any other political subdivision that may from time to time be designated as an “Additional Member” of the Agency pursuant to the Joint Exercise Agreement, collectively, the “Members”) entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Community Housing Agency (the “Agency”) was organized; and

WHEREAS, the Agency is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Agency wishes to acquire and provide for the continued operation of a multifamily rental housing facility (the “Project”) located in the City of Hercules, State of California (the “Project Jurisdiction”); and

WHEREAS, pursuant to a Trust Indenture (the “Indenture”) between the Agency and Wilmington Trust, National Association (the “Trustee”), the Agency will issue its Senior Essential Housing Revenue Bonds (The Exchange at Bayfront Apartments) (the “Senior Bonds”), Junior Essential Housing Revenue Bonds (The Exchange at Bayfront Apartments) (the “Junior Bonds”) and, together with the Senior Bonds, the “Class A Bonds”) and Subordinate Essential Housing Revenue Bonds (The Exchange at Bayfront Apartments) (the “Subordinate Bonds”) and, together with the Class A Bonds, the “Bonds”) for the purpose of, among others things, acquiring the Project; and

WHEREAS, Catalyst Housing Group LLC, a California limited liability company (collectively with its affiliates, "Catalyst") will assign and the Agency will assume (with certain exceptions) the rights and responsibilities of that certain Real Estate Sale Agreement entered on June 4, 2021, between Catalyst, as buyer, and Hercules Block N Development Partners, LP, a Delaware limited partnership, as seller (the "Seller"), pursuant to an Assignment and Assumption Agreement of Purchase and Sale Agreement (the "Assignment and Assumption Agreement"), by and between Catalyst and the Agency, for an acquisition price (the "Purchase Price") paid as follows: (i) assumption by the Agency of certain liabilities associated with the Project; (ii) a cash payment to the Seller of not to exceed \$113,500,000 (subject to adjustment for, among other things, valuations and prorations) from a portion of the proceeds of the Class A Bonds; and (iii) an upfront payment to Catalyst and issuance and delivery to, or as directed by, Catalyst of the Subordinate Bonds, as assignor under the Assignment and Assumption Agreement; and

WHEREAS, the Bonds will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing (the "Deed of Trust") from the Agency to the Trustee granting a lien on the Agency's interest in the Project in favor of the Trustee for the benefit of the owners from time to time of the Bonds; and

WHEREAS, the Agency will agree, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), between the Agency and the Trustee, to maintain certain occupancy and rent restrictions on the Project, which shall be in effect with respect to the Project until the payment or defeasance in full of the Bonds; and

WHEREAS, following the Agency's purchase thereof, the Project will be operated by Greystar California, Inc., a Delaware corporation, and/or any other property manager to be named (the "Property Manager") pursuant to a Conventional Management Agreement (the "Management Agreement") between the Agency and the Property Manager; and

WHEREAS, Catalyst is knowledgeable and experienced in managing affordable housing projects, and the Agency wishes to engage Catalyst to provide the asset management and administration services specified in and pursuant to a Project Administration Agreement (the "Project Administration Agreement") between the Agency and Catalyst; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Class A Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

WHEREAS, pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Agency and Jefferies LLC (the "Underwriter"), the Underwriter will agree to purchase the Class A Bonds, and pursuant to the distribution of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the Class A Bonds will be offered and sold in accordance with the Agency's issuance policies exclusively to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act of 1933, as amended, the "Securities Act") or Accredited Investors as described in Rule 501 of Regulation D under the Securities Act, and the proceeds of such sale will be used as set forth in the Indenture to finance, among other things, the Agency's acquisition of the Project; and

WHEREAS, pursuant to the Indenture, the Subordinate Bonds will be issued and delivered to, or as directed by, Catalyst or an affiliate thereof, as part of the Purchase Price of the Project; and

WHEREAS, the Agency will enter into a Public Benefit Agreement (the “Public Benefit Agreement”) with the Project Jurisdiction pursuant to which the Agency will grant to the Project Jurisdiction the exclusive option to purchase or direct the sale of the Project for a period commencing approximately 15 years after the issuance of the Bonds and terminating approximately 20 years thereafter, upon payment of the option price, as set forth therein; and

WHEREAS, the Project Jurisdiction has by resolution and execution of the Agreement, become an Additional Member (as defined in the Agreement) of the Agency, and has approved the issuance of bonds for projects within the Project Jurisdiction and authorized the Public Benefit Agreement with the Agency in recognition of the significant public benefits of the Project and in support of the Agency’s issuance of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Agency will deliver a tax certificate setting forth certain representations, expectations and covenants of the Agency pertaining to the tax status of the Bonds (the “Tax Certificate”); and

WHEREAS, in order to provide ongoing information to the purchasers of the Bonds, the Agency proposes to enter into a Continuing Disclosure Agreement to be dated the date of issuance of the Bonds (the “Continuing Disclosure Agreement”), between the Agency and the dissemination agent named therein; and

WHEREAS, the Board of Directors of the Agency (the “Board”), based on representations of Catalyst, but without independent investigation, has found and determined that the issuance of the Bonds and financing of the acquisition of the Project will promote significant public benefits for the Project Jurisdiction, including employment benefits from undertaking the Project in a timely fashion, more efficient delivery of local agency services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; and

WHEREAS, there have been made available to the Board prior to this meeting proposed forms of:

- (1) the Indenture (including a Master Glossary of Terms and the proposed forms of the Bonds);
- (2) the Assignment and Assumption Agreement;
- (3) the Deed of Trust;
- (4) the Regulatory Agreement;
- (5) the Management Agreement;
- (6) the Project Administration Agreement;

- (7) the Bond Purchase Agreement;
- (8) the Continuing Disclosure Agreement;
- (9) the Public Benefit Agreement; and
- (10) the Limited Offering Memorandum.

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

Section 1. The Board hereby finds and declares that the Agency’s acquisition and continued operation of the Project and the financing thereof through the issuance of the Bonds as hereinabove recited are in furtherance of the public purposes of the Act, the Joint Exercise Agreement and the foregoing recitals and is within the powers conferred upon the Agency by the Act and the Joint Exercise Agreement.

Section 2. Pursuant to the Act, the Joint Exercise Agreement and the Indenture, the Agency is hereby authorized to issue its revenue bonds designated as the “California Community Housing Agency Senior Essential Housing Revenue Bonds (The Exchange at Bayfront Apartments),” “California Community Housing Agency Junior Essential Housing Revenue Bonds (The Exchange at Bayfront Apartments),” and the “California Community Housing Agency Subordinate Essential Housing Revenue Bonds (The Exchange at Bayfront Apartments)” with appropriate series and sub-series designations as necessary, including, if and to the extent necessary, one or more series or sub-series of taxable obligations, in an aggregate principal amount not to exceed \$165,000,000. The Bonds shall be issued and secured in accordance with the terms of the Indenture and shall be in substantially the forms contained in the Indenture and presented at this meeting. The final maturity of the Class A Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate to be borne by the Class A Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The final maturity of the Subordinate Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate with respect to the Subordinate Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee, as paying agent and registrar, or at the office of any successor or additional paying agent and registrar in accordance with the Indenture. The Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture.

Section 3. The Bonds shall be executed on behalf of the Agency by the manual or facsimile signature of the Chair of the Agency or the manual signature of any member of the Board of Directors of the Agency or their administrative delegates duly authorized pursuant to Resolution No. 20-03C of the Agency, adopted on September 8, 2020 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Agency or the manual signature of any Authorized Signatory. The facsimile, electronic or digital signature of any Authorized Signatory shall be deemed to be the legal equivalent of a manual signature on the Bonds and other documents and valid and binding for all purposes. If any Authorized Signatory whose signature, countersignature or attestation appears on a Bond or Bond-related document ceases to

be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond-related document (regardless of whether any such Bond-related document is specifically identified in this Resolution) is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 4. The proposed form of Indenture, including the proposed forms of Bonds, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Indenture and an Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated dates, maturity date or dates, interest rate or rates, the amounts and timing and application of deposits to the funds or accounts, interest and principal payment periods and date or dates, principal amounts, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, conditions for issuance of additional bonds, covenants, whether such Bonds are tax-exempt or taxable and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 5. The purchase of the Project and related assets by the Agency, on the terms set forth in the Assignment and Assumption Agreement, is hereby approved. The proposed form of Assignment and Assumption Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Assignment and Assumption Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Assignment and Assumption Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Purchase Price of the Project shall be paid as follows: (i) assumption by the Agency of certain liabilities associated with the Project; (ii) a cash payment to the Seller of not to exceed \$113,500,000 (subject to adjustment for, among other things, valuations and prorations) from a portion of the proceeds of the Class A Bonds; and (iii) an upfront payment to Catalyst and issuance and delivery to, or as directed by, Catalyst of the Subordinate Bonds, as assignor under the Assignment and Assumption Agreement.

Section 6. The grant by the Agency to the Trustee of a lien on and security interest in the Project, pursuant to and on the terms set forth in the Deed of Trust, is hereby approved. The proposed form of Deed of Trust, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Deed of Trust in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The rent and occupancy restrictions placed on the Project pursuant to and on the terms set forth in the Regulatory Agreement are hereby approved. The proposed form of Regulatory Agreement, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Regulatory Agreement

in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The engagement of the Property Manager to manage and operate the Project on the Agency's behalf, and the delegation to the Property Manager of certain powers to act in its discretion on behalf of the Agency in connection therewith, in accordance with the terms and provisions of the Management Agreement, are hereby approved. The proposed form of Management Agreement, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Management Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The engagement of Catalyst to provide asset management and administration services for the Project on the Agency's behalf, and the delegation to Catalyst of certain powers to act in its discretion on behalf of the Agency in connection therewith, in accordance with the terms and provisions of the Project Administration Agreement, are hereby approved. The proposed form of Project Administration Agreement, as presented to this meeting, is hereby approved and the Agency is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Project Administration Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The proposed form of Limited Offering Memorandum relating to the Class A Bonds is hereby approved. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver a Limited Offering Memorandum in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The Underwriter is hereby appointed as underwriter of the Bonds. The Agency consents to the distribution by the Underwriter of the preliminary form of Limited Offering Memorandum to persons who may be interested in the purchase of the Class A Bonds and its delivery of the Limited Offering Memorandum in final form to the purchasers of the Class A Bonds, in each case with such changes as may be approved as aforesaid.

Section 12. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Bond Purchase Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve.

Section 13. The proposed form of Continuing Disclosure Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations

under the Continuing Disclosure Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve.

Section 14. The proposed form of the Public Benefit Agreement, as presented to this meeting, is hereby approved. The Agency is hereby authorized to perform its obligations under the Public Benefit Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Public Benefit Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Agency, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 15. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Agency, to execute and deliver a Tax Certificate, in such form as such Authorized Signatory, with the advice of Bond Counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. The Bonds, when executed as provided in Section 3 and as provided in the Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, in accordance with written instructions executed on behalf of the Agency by an Authorized Signatory. Such instructions shall provide for the delivery of the Bonds upon payment of the purchase price thereof.

Section 17. The Chair, the Vice Chair, the Secretary and other appropriate officers and agents of the Agency, including each Authorized Signatory, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Agency, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with acquiring, equipping, owning and operating the Project, securing insurance related to the Project, investing proceeds of the Bonds or revenues of the Project, or credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Agency has approved in this Resolution and to consummate by the Agency the transactions contemplated by the documents approved hereby, including entering into guaranty agreements, security agreements, pledge agreements, collateral assignments, direct agreements and/or consents to assignment with respect to documents entered into by the Agency, Catalyst or the Property Manager in connection with the Project and assisting in the preparation of the Limited Offering Memorandum, and any other or subsequent agreements, supplements, instruments, amendments, approvals, authorizations, directions, certifications, waivers or consents entered into or given in accordance with such documents including any letter agreements with the Project Jurisdiction. It is not necessary that the Bonds and various documents authorized hereby or otherwise relating to the Bonds all be signed by the same Authorized Signatory.

Section 18. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be

permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 19. All actions heretofore taken by the Chair, the Vice Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Agency with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 20. This Resolution shall take effect from and after its adoption; provided, that no Bond authorized hereby shall be issued unless and until the Agency has been furnished with satisfactory evidence of the approvals by the Project Jurisdiction as hereinabove recited.

PASSED AND ADOPTED on the 17th day of August, 2021

I, the undersigned, an Authorized Signatory of the California Community Housing Agency, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Agency at a duly called meeting of the Board of Directors of the Agency held in accordance with law on August 17, 2021.

**CALIFORNIA COMMUNITY HOUSING
AGENCY**

Name: _____

Title: Authorized Signatory

Exhibit A

Required Disclosures Pursuant to California Government Code Section 5852.1

1. True Interest Cost of the Class A Bonds (Estimated): 3.206% (to maturity)
2. Finance charge of the Class A Bonds, being the sum of all fees and charges paid to third parties (Estimated): \$5,949,352.96
3. Proceeds of the Class A Bonds expected to be received by the Agency, net of proceeds for Costs of Issuance in (2) above, and reserves (if any) to be paid from the principal amount of the Class A Bonds (Estimated): \$118,267,237.52
4. Total Payment Amount for the Class A Bonds, being the sum of all debt service to be paid on the Class A Bonds to final maturity (Estimated): \$247,214,801.11

*All amounts and percentages are estimates, and are made in good faith by the Agency based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Class A Bonds.