



CITY COUNCIL AGENDA STATEMENT



December 18, 2018

File ID: 18-0547

TITLE

- A. A RESOLUTION OF THE CHULA VISTA HOUSING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF THE CORDOVA AND TROLLEY APARTMENT HOMES MULTIFAMILY RENTAL HOUSING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL DOCUMENTS NECESSARY TO ISSUE THE BONDS, COMPLETE THE TRANSACTION AND IMPLEMENT THIS RESOLUTION, AND RATIFYING AND APPROVING ANY ACTION HERETOFORE TAKEN IN CONNECTION WITH THE BONDS

- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AND THE CHULA VISTA HOUSING AUTHORITY, IN ITS CAPACITY AS THE SUCCESSOR HOUSING ENTITY WITHIN THE MEANING OF HEALTH AND SAFETY CODE SECTION 34176, [1] APPROVING THE ASSUMPTION OF EXISTING CITY AND HOUSING AUTHORITY LOANS TOTALING APPROXIMATELY \$2,643,695 IN PRINCIPAL AND ACCRUED INTEREST; AND [2] AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED LOAN DOCUMENTS BY AND BETWEEN THE CITY OF CHULA VISTA AND CORDOVA TROLLEY, LP FOR CORDOVA VILLAGE AND TROLLEY TERRACE MULTIFAMILY AFFORDABLE APARTMENTS

RECOMMENDED ACTION

Authority/Council adopt the resolutions.

SUMMARY

On May 15, 2018, the City Council and the City's Housing Authority approved the use of Multifamily Housing Bonds, with non-competitive four percent tax credits, to finance the acquisition and rehabilitation of existing affordable units at Trolley Terrace and Cordova Village Apartments, totaling 56 affordable rental units for very low and low income families and 2 manager's units (The "Project") by South Bay Community Services ("Project Sponsor") on behalf of Cordova Village LP and Trolley Terrace LP. The Project is located at 750 ADA Street and 1280 East J Street. The rehabilitation would improve the properties and extend the term of the affordable rents for 55 years (currently scheduled to expire in 2020). At this time, the Chula Vista Housing Authority is asked to authorize the issuance, sale, and delivery of multifamily housing revenue bonds for the Project based upon award of \$7,000,000 in bond allocation from the California Debt Limit Allocation Committee ("CDLAC") with a financing structure as described in the this report.

ENVIRONMENTAL REVIEW

The Project qualifies for a Class 1 Categorical Exemption pursuant to Section 15301 Existing Facilities of the California Environmental Quality Act State Guidelines because it involves the rehabilitation of existing facilities which would not result in an expansion of the existing uses.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On April 25, 2018, the Housing Advisory Commission voted (4-0) to recommend the issuance of tax exempt private activity bonds in an aggregate amount not to exceed \$8 million for the acquisition and rehabilitation of the Project and the City Council and Chula Vista Housing Authority take all necessary actions to facilitate its financing.

DISCUSSION

On May 15, 2018, the Chula Vista City Council (Reso No 18-082) and the Housing Authority (HA Reso 18-003) respectively, approved taking certain preliminary authorization steps to issue up to \$8,000,000 of tax-exempt Multifamily Housing Revenue Bonds (Bonds), with non-competitive four percent tax credits, to finance the acquisition and rehabilitation of existing affordable units at Trolley Terrace and Cordova Village Apartments, totaling 56 affordable rental units for very low and low income families and 2 manager's units (Attachment 1: Locator Map).

Subsequently on July 18, 2018, the California Debt Limit Allocation Committee (CDLAC), the State bonding authority, approved authorization of the use of \$7,000,000 of the 2018 State Ceiling on Qualified Private Activity Bonds ("Bonds") for the Project. The Chula Vista Housing Authority will be the conduit bond issuer for the Bonds. The bond allocation and tax credit contributions will be used to substantially finance the Projects. In addition to the tax exempt obligations being issued by the Housing Authority, the Project Sponsor has requested the City and the Housing Authority consider its financial assistance for both projects with the assumption of existing City and Housing Authority loans. The outstanding balance of such loans is approximately \$2,643,695, in principal and accrued interest.

The Development Team

The Project Sponsor, South Bay Community Services (SBCS), is a 501(c)(3) non-profit organization and the current owner of both Trolley Trestle and Cordova Village apartments. The project is currently owned by Trolley Terrace Townhomes, LP and Cordova Village Apartments LP, respectively, with SBCS as the General Partner. At bond closing, the Project Sponsor will create a new limited partnership, Cordova Trolley, LP, to acquire, rehabilitate, and operate the Project. The Project Sponsor, SBCS will continue to serve as the General Partner, retaining a level of ownership and handling management of the properties. SBCS will be responsible for managing the rehabilitation of the properties through completion and cost certification, with a general contractor overseeing construction. SBCS will also be responsible going forward for preparation of annual property-specific budgets, marketing, leasing, overseeing property management and maintenance, income qualification of residents, annual reporting to investor and lender, payments to lenders and provide resident services. Hyder & Company will serve as the day to day property manager. Red Stone Capital Equity Partners, LLC will be the new tax credit Investor Limited Partner.

Trolley Terrace and Cordova Village represents the only bond financed and tax credit financed affordable housing developments within SBCS’ portfolio. SBCS currently owns and operates several emergency and transitional housing developments for at-risk and homeless youth and families.

Table 1 - Development Team Summary

Role	FIRM/CONTACT
Ownership	Cordova Trolley, LP
Managing General Partner (.01 percent)	SBCS
Tax Credit Investor/Limited Partner (99.99 percent)	Red Stone Capital Equity Partners, LLC
Property Management	Hyder & Company
Tax Credit Investor	Red Stone Equity Partners
Lender/Purchaser	Banner Bank
Architect	Basis Architecture and Consulting, Inc
General Contractor	MRFG-Icon Construction

The Project

The Project consists of two affordable housing projects (Trolley Terrace and Cordova Village Apartments), proposed as a “scattered sites” acquisition and rehabilitation for financing. Trolley Terrace is located at 750 Ada Street in southwest Chula Vista and Cordova Village is located at 1280 East J Street in eastern Chula Vista, within the Rancho Del Rey master planned community. These projects were originally built and financed using former Redevelopment Low Moderate Income Set Aside funds and HOME Investment Partnership Act funds from the U.S. Department of Housing and Urban Development (HUD). The affordability requirements will be extended with the refinancing and proposed assumption of the existing HOME and Low and Moderate Income Housing Set-Aside loans. The current Housing Authority restrictions expire in 2052 and the City HOME restriction expires in 2020.

Trolley Terrace is composed of six (6) two-story residential buildings and a single-story management office with a community room. The majority of the units 14 of the 18 are three (3) bedroom units, with four (4) two (2) bedroom units. Site amenities include a playground, a barbecue area, and laundry facilities.

Trolley Terrace, located in southwest Chula Vista, is in an ideal location for the convenience of residents, support of a healthy living environment and for competitive financing programs. The Project is within walking and biking distance to recreational and education opportunities and neighborhood services and has direct access to public transportation. Nearby amenities and services include:

- 1/8 Mile from Palomar Transit Center
- 1/3 Mile from Food 4 Less and other shopping
- 1/5 Mile from Harborside Elementary School and Harborside Park
- 1 Mile from South Chula Vista Library

Nearby uses include single-family housing directly south, multifamily housing to the north and west, and the Palomar Transit Center to the east.

Cordova Village is composed of nine (9) buildings; eight (8) two-story apartment buildings and one (1) single-story community building with a management office and a community room. Cordova is ideally suited for larger families with the majority of the units, 24 of the 40 units, being three (3) and four (4) bedroom units. Sixteen (16) are two (2) bedroom units. Site amenities include a playground, a barbecue area, and laundry facilities.

Cordova Village is also ideally located for the convenience of residents and support of a healthy living environment. The Project is within walking and biking distance to recreational, education opportunities and public transportation. Nearby amenities and services include:

- 1/8 Mile from Voyager Park
- ¼ Mile from Rancho Del Rey Middle School
- ½ Mile from Cassillas Elementary School
- 1 Mile from Ralphs grocery store and other shopping
- 1 Mile from a public transit stop

Nearby uses include a single-family housing directly north and multifamily housing to the south, east and west.

Building Conditions/Proposed Rehabilitation Work

Given the age and the desire to preserve the affordability, the Project Sponsor is proposing the acquisition and rehabilitation of both properties as “scattered sites” using tax-exempt bond financing and 4 percent tax credits to ensure continued long-term use and viability. Rehabilitation work will be in compliance with the tax credit financing that specifies minimum energy efficiency standards for rehabilitation projects with at least a 10 percent post-rehabilitation improvement in energy efficiency over existing conditions and the provision of 10 percent of units required as fully accessible and 4 percent of units with accommodations for visual and hearing impaired compliant with the Americans with Disabilities Act (ADA).

Since the original construction of both projects, no comprehensive renovations have been completed. Both properties are in need of additional capital improvements and repairs. A Physical Needs Assessment was completed for the Project, which will serve as the basis for a more detailed scope of work and value engineered to the final sources of funds available for the rehabilitation. The current estimate of rehabilitation costs is \$2,898,387. Based on 58 units, this equates to an average of \$48,970 per unit. This figure includes the estimated costs to address the scope of work proposed, general contractor’s profit/overhead/general requirements, and a construction contingency of 10 percent of direct costs.

The scope of work will address the immediate physical needs and will extend the useful life of the building systems, reduce operating costs and improve energy efficiency. Priority items to be addressed across the portfolio include ADA compliant units, paths of travel and common areas and the repair and replacement, if needed of the following: carpets/tiles, kitchen/bath cabinetry and fixtures, Energy Star appliances, dual pane windows, roofs, dry rot and termite infested wood, and playground equipment.

Relocation

The Project Sponsor does not anticipate permanent relocation of tenants. The rehabilitation budget will include \$203,000 (\$3,500/unit) for costs of relocation. Tenants may be temporarily relocated to other units on-site for approximately a five to ten days period.

Affordable Housing

The Project proposes to maintain the existing income and rent restrictions for Cordova Village and Trolley Terrace for fifty-five years from the effective date of the bond financing agreements, exceeding the existing affordability period ending 2052. Fifty-six (56) units are currently restricted as affordable for very low-income households at 50 percent of AMI and low income households at 60 percent of AMI. One unit within each property is reserved for a resident manager, see Table 2. These income and rent restrictions will be outlined within a bond regulatory agreement to be recorded against the property.

Table 2 –Affordability & Monthly Estimated Rents

Unit Description	No. of Units	% of AMI	Target Income Group	
			Annual Income	Proposed Rents
CORDOVA VILLAGE				
2 Bd/1 Ba	3	50%	\$43,800	\$ 864
2 Bd/1 Ba	13	60%	\$52,600	\$1,048
3 Bd/2 Ba	3	50%	\$48,650	\$ 954
3 Bd/2 Ba	12	60%	\$58,400	\$ 1,158
4 Bd/2 Ba	2	50%	\$52,550	\$ 1,016
4 Bd/2 Ba	6	60%	\$63,100	\$ 1,237
MGR	1	N/A	N/A	N/A
Subtotal	40			
TROLLEY TERRACE				
2 Bd/1 Ba	4	40%	\$ 35,050	\$ 680
3 Bd/2 Ba	13	40%	\$43,800	\$ 749
MGR	1	N/A	N/A	N/A
Subtotal	18			
TOTAL	58			

Financing Structure

The Tax Exempt Multi-Family Revenue Bonds and Low Income Housing Tax Credit financing will support the majority of the estimated \$12.9 million total development cost of the Project (\$222,425/unit). A maximum of \$8 million in tax exempt bonds will be privately placed with Red Stone Equity Partners. It is anticipated that the bonds will be used for both construction and permanent financing of the Project.

Financing will include a combination of additional sources as described in Table 3, inclusive of outstanding City and Housing Authority loans from the original development of the Project. Staff recommends that the City and Housing Authority authorize the assumption of the existing City and Housing Authority loans, with a balance of approximately \$2,643,695, in principal and accrued interest and execute all necessary documents to secure the loans. The developers' current pro forma is included as Attachment 2.

Table 3 – Revised Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Permanent Loan	3,915,000	Acquisition (Land and Building)	6,580,000	
LIHTC Equity (\$0.930 Per Credit)	3,443,945	Rehabilitation (Including Contingency)	2,898,387	
Subtotal - 57%	\$ 7,358,945	Subtotal - 73%	\$ 9,478,387	\$163,420
Existing Reserves	513,057	Permit & Fees	22,400	
Seller Note	2,201,154	Architectural/Engineering/Technical	201,400	
NOI During Construction	175,000	Technical Studies	66,380	
Deferred Developer Fee (\$1,397,451 Paid)	8,707	Financing fees and interest	436,253	
HA Loan Cordova (LMIHAF)	599,595	Reserves	604,692	
City Loan Cordova (HOME)	605,242	Miscellaneous Soft Costs	533,000	
City Loan Trolley (HOME)	1,438,858	Bond Costs	125,000	
		Tax Credit Costs	26,888	
		Developer Fee	1,406,159	
TOTAL	\$12,900,559		\$12,900,559	\$222,423

The Housing Authority’s and City’s continued financial assistance to fill the financing gap will be necessary to demonstrate local commitment and leveraging of local funds in Developer’s application for the LIHTC. The Housing Authority and City’s commitment averages \$45,581 for each of the 58 units. This cost is consistent with the per unit subsidy for this type of development in high-cost markets. Given that this Project also restricts approximately 17 or 30 percent of the units to residents at 40 percent of AMI, the deep affordability of the Project increases the need to keep the public subsidy in the Project. The financial assistance is necessary to provide for affordable rents and to lower development costs. The Project cannot be acquired or rehabilitated without such assistance. For each dollar of Housing Authority and City subsidy, approximately \$5 of other private/public investment is leveraged.

The Housing Authority and City will terminate the existing Disposition and Development Agreements, given each development has been constructed and operating. Concurrently, a new regulatory agreement with an extended term of affordability, new deeds of trust and an Amended and Restated Promissory Note will be executed and recorded, in accordance with the Authority’s and City’s approval, if granted, with terms reviewed by the City Attorney’s office and satisfactory to the City and Authority, to secure the Housing Authority’s and City’s loans (see Attachments 2-8). Consistent with other loans within the Housing Authority’s and City’s affordable rental housing portfolio, the standard loan terms will apply:

- Term of the loans shall be fifty-five (55) years;
- Outstanding balances shall all accrue interest at 3 percent per annum; and,
- Payment on the loans shall be based upon 50 percent of residual receipts.

Development Cost Key Performance Indicators

Staff has identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Estimated Costs & Key Performance Indicators

	Total Estimated Costs	Estimated Costs per Unit	Estimated Costs per Net Rentable Building Sq Ft
Acquisition ¹	6,580,000	113,448	112
Construction ²	2,898,387	49,972	49
TOTAL Hard Costs	\$ 9,478,387	\$ 163,420	\$ 161
Soft Costs	3,422,172	59,003	58
TOTAL COSTS	\$12,900,559	\$222,423	\$220
TOTAL Dwelling Units (DUs)	119		
TOTAL Gross Bldg Sq Ft	156,162		
Net Rentable Bldg Sq Ft	58,736		

Proposed Housing Bonds

Multifamily housing financing often involves the issuance of tax-exempt Multifamily Housing Revenue Bonds (Bonds) on behalf of private developers of qualifying affordable rental apartment projects. The advantages of tax-exempt financing to developers include below-market interest rates and access to Low Income Housing Tax Credits (Tax Credits) – features that are not available with typical conventional multifamily housing mortgage loans.

Utilizing the Housing Authority’s tax-exempt borrowing status, the lower tax-exempt interest rate financing (and make Federal four percent Tax Credits available) is passed on to developers of affordable rental housing. The Housing Authority’s ability to issue tax-exempt bonds is limited under the U.S. Internal Revenue Code. To issue tax-exempt bonds for a development, the Housing Authority must first submit an application to the California Debt Limit Allocation Committee (CDLAC) for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the City Council and the Housing Authority. Housing Authority bond inducement resolutions must be obtained prior to a CDLAC application submittal. A Tax Equity and Fiscal Responsibility Act (TEFRA) City Council resolution must be secured by approximately 30 days before the CDLAC allocation meeting. These City Council and Housing Authority actions were completed for the Project as of May 15, 2018.

¹ Acquisition costs are based upon an Appraisal Report as of 02/13/2018 indicating a \$5,400,000 market value of the fee simple estate assuming restricted rents and \$ 418,000 hypothetical value of underlying land as encumbered by a Regularity Agreement. Hypothetical conditions are specified by TCAC appraisal regulations for Cordova and \$1,180,000 and \$93,000 for Trolley Terrace.

² Includes the estimated costs to address the scope of work proposed, temporary relocation, general contractor’s profit/overhead/general requirements, and a construction contingency.

On May 18, 2018, the Project Sponsor applied to CDLAC for a \$7,000,000 bond allocation and applied to TCAC for a Tax Credits allocation. CDLAC and TCAC allocations approvals were received on July 18, 2018. Final authorization of the Bonds issuance will require Housing Authority approval before December 31, 2018.

The Bonds will be used for acquisition and rehabilitation financing. The Bonds will meet all requirements of the Housing Authority's Multifamily Housing Revenue Bond Program policy.

Bonds Structure

The Housing Authority is being asked to authorize the issuance of up to \$7,000,000 in Series 2018A Bonds to be structured as privately placed Bonds to finance development costs of the Project. The tax-exempt debt, in the form of a Note, will be sold through a private placement, purchased directly by Banner Bank. Banner Bank will provide tax-exempt construction and permanent financing for the Project.

Banner Bank is considered a "qualified institutional buyer" within the meaning of U.S. securities laws. At closing, Banner Bank will sign an "Investor's Letter" certifying, among other things, that it is buying the Bonds for its own account and not for public distribution. Because the Bonds are being sold through a private placement, an Official Statement will not be necessary. In addition, the Bonds will not be subject to continuing disclosure requirements, nor will they be credit enhanced or rated. California Bank will hold the Bonds for its own account. If there is an unexpected proposed transfer of the Series 2018A Bonds, then any subsequent proposed Bondholder must comply with Housing Authority's Multifamily Housing Revenue Bond Policy. Moreover, any subsequent Bondholder of Series 2018A Bonds would be required to represent to the Housing Authority that they are a qualified institutional buyer or accredited investor who is buying the Series 2018A Bonds for investment purposes and not for resale, and that they have made due investigation of any material information necessary in connection with a decision to purchase the Bonds.

Under the private placement structure for this transaction, the Housing Authority, as Issuer of the Bonds, pursuant to the terms of a Construction and Term Loan Agreement among Banner Bank, the Housing Authority, and Cordova Trolley, LP (as "Borrower") will lend the loan amount to Borrower and Banner will purchase the Bonds (see Attachment 9). The loan will be evidenced by a Promissory Note (the "Note") in favor of the Housing Authority. The interests of the Housing Authority in this Agreement and the Note, have been assigned to U.S. Bank National Association, acting as the Housing Authority's Fiscal Agent or Trustee.

The Note will be issued pursuant to the Construction and Term Loan Agreement. Based upon instructions contained in this Agreement, Banner will disburse Note proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority in the Loan Agreement, receive payments from the Borrower via the Trustee. The Housing Authority's obligation to make payments on the Note is limited to amounts the Trustee receives from the Borrower, and no other funds of the Housing Authority are pledged to make payments on the Note. Rights that are assigned to Banner include the right to collect and enforce the collection of loan payments, monitor project construction and related budgets, and enforce insurance and other requirements. These rights will be used by Banner to protect its financial interests as the holder of the Note.

At this time, the Chula Vista Housing Authority is being asked to approve in substantial final form all documents related to the bond issuance and the Note. Bond documents presented for the Housing Authority's consideration have been prepared by Stradling Yocca Carlson & Rauth, serving as bond counsel for the City of Chula Vista and its Housing Authority. The following documents will be executed on behalf of the Housing Authority with respect to the Bonds and Note: Construction and Term Loan Agreement, Assignment of Deed of Trust, Regulatory Agreement, and other ancillary loan documents.

1. The **Construction and Term Loan Agreement** sets out the terms of repayment and the security for the loan made by the Housing Authority to the Borrower and purchase of the bonds by Banner Bank. The Housing Authority assigns its rights to receive repayments under the loan to Banner Bank. Under the terms of the Loan Agreement, the Housing Authority will loan the proceeds of the Bonds to the borrower in order to develop the project. The loan is evidenced by a note in an amount corresponding to the principal amount of the Bonds. With the Loan Agreement, the Housing Authority assigns its rights to receive note payments to the Trustee
2. The **Regulatory Agreement** will be recorded against the property in order to ensure the long-term use of the project as affordable housing. The Regulatory Agreement also will ensure that the project complies with all applicable federal and state laws (see Attachment 10).
3. An **Assignment of Deed of Trust** and other Loan Documents, assigns the Housing Authority's rights and responsibilities as the Bonds issuer to the Trustee - U.S. Bank. Rights and responsibilities that are assigned to the Trustee include the right to collect and enforce the collection of loan payments, monitor project rehabilitation, and enforce insurance plus other requirements. These rights will be used by the Trustee to protect the financial interest of the Bondholders – Banner Bank (see Attachment 11).
4. Bonds will be issued pursuant to **Trust Indenture** between the Housing Authority and the Trustee. The Indenture sets forth the terms of the Bonds, including interest rate, final maturity, and redemption provisions. The Indenture establishes accounts for deposit of Bond proceeds and repayment sources. Based upon instructions contained in the Indenture, the Trustee will disburse bond proceeds for eligible costs, collect project revenues, and make payments to the Bondholders (see Attachment 12).

Financial Advisor's Feasibility Analysis

Ross Financial is the Bonds Financial Advisor, and Stradling Yocca Carlson and Rauth LLP is the Bond Counsel. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is the Financial Advisor's recommendation that the Housing Authority proceed with issuance of the Bonds. The Financial Advisor's analysis and recommendation is included as Attachment 13.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and Housing Authority members and has found that, Council/Housing Authority member McCann has real property holdings within 500 feet of the boundaries of 1280 E J Street (Cordova Village) which is one of the properties subject of this action. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(11), this

item presents a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.) for the above-identified member.

Staff is not independently aware, and has not been informed by any City Council and Housing Authority member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The development and provision of quality affordable housing for low-income families and seniors within master planned communities supports the Economic Vitality goals as it promotes the development quality neighborhoods that provide a full complement of uses and services in a balanced fashion. With only 16 percent of the housing within the areas east of Interstate-805 available as multifamily housing, the Cordova Village Apartments and Trolley Terrace Townhomes Project will preserve 40 rental units within the Rancho Del Rey community and 18 units in the Palomar Gateway Area of Southwest Chula Vista and will preserve the availability of housing opportunities for all economic segments of the community for an additional 55 years. With 57 percent of Chula Vista households earning less than the U.S. Department of Housing and Urban Development's area median income, the development of affordable housing addresses the City's Connected Community goals as it provides housing to meet residents' needs and priorities.

CURRENT-YEAR FISCAL IMPACT

Bond Financing is a self-supporting program with the borrower responsible for the payment of all costs of issuance and other costs of the bonds. The Housing Authority will receive compensation for its services in issuing bonds by charging an origination fee equal to 20 basis points (0.20%) of the total original principal amount of the bonds to be issued, with a minimum fee of \$15,000. The issuance fee to be paid to the Housing Authority by the owner will be \$15,000.

ONGOING FISCAL IMPACT

The Multifamily Housing Revenue Bond program is self-supporting. Staff costs associated with monitoring compliance of the regulatory restrictions and administration of the outstanding bonds will be reimbursed from an annual administrative fee of \$17,000 paid to the Housing Authority by the owner.

ATTACHMENTS

1. Locator Map
2. Project Pro Forma

City and Housing Authority Loan Documents

3. Termination of DDA (Cordova Village)
4. Termination of DDA (Trolley Terrace)
5. Declaration of Covenants, Conditions and Restrictions (Cordova and Trolley)
6. Deed of Trust (Cordova and Trolley)
7. Consolidated, Amended and Restated Promissory Note (Cordova and Trolley-HOME Loan)

8. Consolidated, Amended and Restated Promissory Note (Cordova and Trolley-Housing Authority Loan)

Bond Documents

9. Construction and Term Loan Agreement
10. Bond Regulatory Agreement
11. Assignment of Deed of Trust
12. Trust Indenture
13. Financial Advisor's Feasibility Analysis

Staff Contact: Leilani Hines, Housing Manager