



CSCDA

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



Workforce Housing Program

www.cscda.org

The California Statewide Communities Development Authority (CSCDA) was created in 1988 by the League of California Cities and California State Association of Counties, under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects.

About CSCDA:

- 533 cities, counties and special districts are members of CSCDA.
- The City of Monrovia has been a member since 2000.
- CSCDA helps local governments build community infrastructure, provide affordable housing, create jobs, and make access available to quality healthcare.
- CSCDA has issued more than \$65 billion in bonds for local governments throughout California.

- CSCDA is a leader in providing affordable housing and has financed the construction or preservation of nearly 100,000 affordable units throughout California.
- Affordable housing is typically financed with a combination of private activity bonds, low-income housing tax credits, and other state or local funding, but these subsidies are generally limited to projects that restrict units for residents earning less than 60% to 80% of the area median income (AMI).

The Missing Middle

- California has a significant shortage of available workforce housing for the “missing middle”, individuals and families that earn too much to qualify for traditional affordable housing, but not enough to afford market rate rents in the communities where they work.
- Workforce housing (also known as middle-income or moderate-income housing) is housing for individuals and families typically earning between 80% and 120% AMI, including healthcare workers, first responders, teachers and government employees.
- Unfortunately, workforce housing for the “missing middle” is not eligible for tax credits, private activity bonds or most other federal, state or local government subsidies.

- CSCDA (via its affiliate joint powers authority) acquires new or existing multifamily housing properties and records a regulatory agreement restricting rents, rent increases, and occupancy for residents earning between 80% and 120% AMI.
- All properties are 100% financed with CSCDA issued tax-exempt governmental bonds (no equity or other public subsidies are required).
- The City enters into a Public Benefit Agreement whereby the City (along with the county and school district) receive all surplus revenue when a property is sold or refinanced.

- City Council Adopts One Single Resolution:
 - City Becomes Associate Member of CSCDA Community Improvement Authority (CSCDA's Affiliate JPA).
 - City Acknowledges CSCDA's Issuance of Bonds for Eligible Projects.
 - City Agrees to Receive Surplus Revenue.
- The City incurs no fees, costs, liability or administrative responsibilities in connection with the program or individual projects.

MODA at Monrovia Station

- **261 units**
- Completed 2019
- Transit oriented at Metro Gold Line
- Amenities include: Sky deck, game lounge, pool & spa, courtyards, club room, fitness center, conference & business center, fire pits/BBQ



- **Opportunity Housing Group** (Lead Sponsor)
 - Extensive experience in multifamily acquisitions and asset management
 - Team members have acquired over 15,000 apartments, managed over 100 properties/35,000+ units, and developed over 7,500 units

- **Citigroup Global Markets** (Bond Underwriter)
 - Market leader in tax-exempt “high-yield” debt
 - Trading volume is typically ~\$2 billion/month
 - Largest tax-exempt sales and trading team on Wall Street

- **Legacy Partners** (Property Manager)
 - Current property manager of MODA will remain after closing
 - Highly experienced manager of Class A multifamily assets with a long history in Monrovia

Rent levels will be lowered to 35% of 80% to 120% of AMI. These rents levels capped annually and will always stay within this range of incomes for the life of the bonds (typically 30 years). This provides stability and long-term attainability for residents.

INCOME AND RENT LIMITS							
TOTAL UNITS	Unit Type	CURRENT In-Place Rent/Unit	RENTS AFTER ACQUISITION			AFTER Acquisition	
			80% AMI 87 units Income <\$90,080	100% AMI 87 units Income <\$112,600	120% AMI 87 units Income <\$135,120	Restricted Rent/Unit TOTAL	
	Studio	2	\$2,360	1,702	2,162	N/A	\$1,932
	One Bed	161	\$2,376	1,944	2,374	2,376	\$2,225
	Two Bed	98	\$2,868	2,185	2,765	2,861	\$2,621
	TOTAL	261	\$2,561	\$2,024	\$2,524	\$2,566	\$2,371
						Resident Rent Savings (monthly, per unit)	-\$189
						Total Resident Rent Savings (annual)	-\$592,454
						<i>% of Current Rent</i>	<i>-7.4%</i>

Note: Income limit shown for a family of four.

- First Responders, Public Employees, Monrovia Public School graduates or others can be given priority under the Regulatory Agreement.
- Current residents will not be displaced by the program. If tenants do not qualify for restricted rents, they may remain at their current market rent. Eventually, all MODA renters will qualify for rent within the 35% of 80% to 120% of AMI range.
- Residents tend to spend monthly rent savings, thus benefiting local businesses.
- As Market Rents continue to increase in Monrovia, MODA's first responder and other public employee renters will likely not be able to qualify for this attractive new housing. Therefore, under this program MODA will not compete for the same renter pool as other new assets.
- This program does not involve a Section 8 or HUD Voucher subsidy.

Under the Public Benefit Agreement, the City, at its sole discretion, may force a sale of the property between Year 15 and Year 30 (the final maturity of the bonds), and the City, along with other taxing agencies (including the County and School District) would receive the net sale proceeds.

FINANCIAL METRICS- CITY OF MONROVIA (ESTIMATES)				
Loss of Property Tax	Annual	-\$191,933	Total- 30 Yrs	-\$7,786,372
Resident Rent Savings	Annual	\$592,454	Total- 30 Yrs	\$28,186,266
Project Equity to City			TOTAL YR 30 (2051)	\$281,988,921

Notes: Property tax based on current enrollment for parcels 8507-003-092 & 8507-003-091. Ad valorem tax.

- The City never has to own the property unless it wants to, and still receives all the financial benefits.
- The City incurs no fees, costs, liability, or administrative responsibilities in connection with the program or individual projects.
- All excess cash flow goes back into the property to maintain the asset in “Class A” condition over 30-years or to pay down the bond principal.



Photo credit: MODA at Monrovia Station www.lifeatmoda.com

Thank You

CSCDA

Jon Penkower

www.cscda.org/workforce-housing-program/

Opportunity Housing Group

Brad Griggs

www.opportunityhousinggroup.com

Citigroup Global Markets

Alex Zaman

www.citigroup.com

Legacy Partners

Tim O'Brien

www.legacypartners.com