



February 5, 2020

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Mortgage Revenue Bond Fee Report for Construction of New Multifamily Affordable Housing

SUMMARY:

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION:

Staff recommends approval of the recommendations outlined in this report.

Respectfully Submitted


LASHELLE DOZIER
Executive Director

Attachment



REPORT TO COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Informational
February 11, 2020

Honorable Mayor and Members of the City Council

Title: Mortgage Revenue Bond Fee Report for Construction of New Multifamily Affordable Housing

Location/Council District: Citywide

Recommendation: Informational report only – no specific action required.

Contact: Christine Weichert, Assistant Director of Housing Finance, 916-440-1353; Tyrone Roderick Williams, Director of Development, 916-440-1316; Sacramento Housing and Redevelopment Agency

Presenters: Susan Salley Veazey, Program Manager, 916-440-1311, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: The City Council (Council) approved a revision to the Sacramento Housing and Redevelopment Agency (SHRA) Multifamily Lending and Mortgage Revenue Bond Policies (Lending Policies) on December 3, 2019. During this discussion, and given the critical need for new affordable housing and the high cost to develop housing, the Council raised concerns about fees associated with the construction of new multifamily housing.

In 2017, SHRA staff conducted a review of the major public-sector Mortgage Revenue Bond (MRB) issuers in the State of California. Based on that analysis, SHRA recommended a reduction in the Bond Issuance Annual Administration Fee that had been in place since 2009. The reduction included reducing the rate from 15 basis points (.15%) to 12.5 basis points (.125%) and introducing a cap of \$25,000 per year for bond projects. As an example, the Annual Administration Fee for Lavender Courtyard was lowered by \$27,500 as a result of this fee reduction.

As part of the discussion regarding approval of the Lending Policies, SHRA committed to reporting back with additional information regarding MRB Annual Administration Fees for new construction projects. In preparation, SHRA contracted with Keyser Marston Associates, advisors in public/private real estate development. The results of their research is provided as Attachment 2 to this report.

According to the Keyser Marston study, SHRA's annual monitoring fee of .125% of the bond amount is in line with the rates of other local issuers. Differences lie in the calculation of the fee basis upon conversion to permanent financing, minimum and maximum fee amounts, and additional fees to monitor compliance with other regulatory agreements. SHRA is one of only two issuers to establish a fee maximum, and has no minimum fee, unlike other local and non-local bond issuers.

The study further states that SHRA has one of the most comprehensive bond monitoring fee programs among all issuers. SHRA conducts onsite visits more frequently than other issuers by providing annual inspections. Other issuers typically visit sites once every three years or not at all.

In addition, SHRA is one of the few issuers to conduct annual residents file audits, receive monthly property management reports, and require audited financial statements. This regular reporting allows SHRA to mitigate compliance issues throughout the year.

Unlike other issuers, resolving landlord-tenant disputes also falls under the purview of SHRA's bond monitoring program. Keyser Marston states that non-local issues typically have less involvement with landlord/tenant disputes and changes in ownership/management than do local bond issues.

As is evidenced by the research, SHRA's annual site visits, file reviews and issue resolution, as directed by our governing bodies, warrants the level of fee adopted with the approval of the Lending Policies. SHRA's fees are well aligned with level of effort and are in line with other bond issuers.

Policy Considerations: Not applicable to this report

Economic Impacts: Not applicable to this report.

Environmental Considerations:

Sustainability Considerations: Not applicable to this report.

Commission Action: Staff presented this item to the Sacramento Housing and Redevelopment Commission on February 5, 2020 as an informational item.

Rationale for Recommendation: Not applicable to this report.

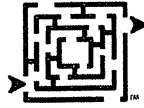
Financial Considerations: Not applicable to this report.

LBE - M/WBE and Section 3 requirements: Not applicable to this report.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

Attachments

2-Mortgage Revenue Bond Fee Memorandum – Keyser Marston Associates, Inc.



KEYSER MARSTON ASSOCIATES.
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
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To: La Shelle Dozier, Executive Director
Sacramento Housing and Redevelopment Agency (SHRA)

From: Debbie Kern and Kevin Feeney

Date: February 3, 2020

Subject: Summary of Review of Monitoring Programs of Leading Conduit Issuers of Tax Exempt Multi-family Housing Bonds

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has surveyed leading conduit issuers of tax-exempt multi-family housing bonds. The purpose of the review is to understand the monitoring programs, including annual fees, of the leading conduit issuers. For purposes of this analysis, we surveyed ten (10) local issuers, and four (4) non-local issuers. The findings of our research are summarized in this memorandum.

Findings

1. List of Surveyed Issuers

The issuers that we have surveyed represent the leading issuers in 2018 in terms of dollar volume.¹ They are as follows:

¹ Derived from the California State Treasurer's Office - California Debt and Investment Advisory Commission database. Includes tax-exempt conduit bonds/notes issued in 2018 for multifamily housing.



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Top Local Issuers		
1	City of Los Angeles Housing & Community Investment Dept. (HCIDLA)	\$405 million
2	City of San Jose	\$318 million
3	City and County of San Francisco (SF MOHCD)	\$177 million
4	Housing Authority of the City of San Diego and the San Diego Housing Commission	\$160 million
5	County of Contra Costa	\$76 million
6	Sacramento City and County Housing and Redevelopment Agency (SHRA)	\$67 million
7	County of Alameda (HCD)	\$59 million
8	Los Angeles County Development Authority (LACDA) / HA of the County of LA	\$28 million
9	Housing Authority of the County of Santa Barbara	\$22 million
10	Housing Authority of the City of Los Angeles HACLA) (new issuer)	\$18 million

The leading non-local issuers are as follows:

Non-local Issuers		
1	California Municipal Finance Authority (CMFA)	\$1.1 billion
2	California Statewide Communities Development Authority (CSCDA)	\$511 million
3	California Housing Finance Agency (CalHFA)	\$345 million
4	California Public Finance Authority	\$192 million

2. Annual Monitoring Fees, Local Issuers

Table 1 provides a summary of the monitoring programs of the surveyed local programs. With a fee of 0.125% of the bond amount, SHRA's annual monitoring fee is in line with the rates of other local issuers. Differences lie in the calculation of the fee basis upon conversion to permanent financing, minimum and maximum fee amounts, and additional fees to monitor compliance with other regulatory agreements.

- a. *Base annual monitoring fee amount* – Nine of the ten programs surveyed set their initial on-going monitoring fee at 12.5 basis points (0.125%) of the original loan amount. The exception is the Housing Authority of the County of Santa Barbara County, which only issues bonds for projects that are owned by the County Housing Authority and the authority does not charge a monitoring fee.
- b. *Minimum and maximum fees* – Programs differ with respect to setting a dollar minimum or maximum for the annual fee amount, with most programs having a minimum fee, ranging from \$2,500 to \$10,000 per year. SHRA is the only local issuer that does not set a minimum fee amount. SHRA and Contra Costa County

are the only two issuers that cap the annual monitoring fee, with both setting the maximum at \$25,000 per year.

- c. *Fee basis* – Programs differ with respect to basing the annual fee on the original loan amount, the original permanent loan amount, or the outstanding principal balance. Four (4) issuers set the fee first based on the original loan amount and then again upon the conversion to a permanent loan. Three (3) issuers adjust the monitoring fee annually based on the outstanding principal balance of the loan. And the annual fee of two (2) issuers is based on the original principal loan amount and does not change over time.
- d. *Additional fees* – Some issuers, including SHRA, charge additional fees to recover costs for monitoring compliance with other regulatory agreements, such as local agreements resulting from the local issuer providing financial assistance to the project. Other issuers charge fees to monitor compliance with density bonus and inclusionary housing requirements, which apply to bond projects in limited circumstances.

3. Monitoring Program, Local Issuers

As presented in Table 1, SHRA has one of the most comprehensive bond monitoring programs among local issuers. The following are differentiators of SHRA's bond monitoring program.

- a. *Frequency of onsite visits* – Sacramento conducts onsite visits more frequently than most local issuers. SHRA conducts onsite inspections once a year, while other issuers that conduct onsite visits perform them every two to three years. Two of the largest local issuers, San Francisco and Los Angeles, do not conduct site visits of bond units except for projects that also receive HOME funding. Frequent onsite visits allow SHRA to verify resident services, maintenance standards, and security practices, instead of relying solely on borrower self-certification.
- b. *Frequency of file audits* – SHRA is one of a few local issuers to conduct annual audits of tenant files including income certifications, leases, and rental records. Most issuers conduct audits of tenant files on a three-year cycle in accordance with the minimum CDLAC requirements. The purpose of file audits is to confirm that income and affordability standards follow bond regulations and are consistent with summary reports submitted by the property manager.

- c. *Quarterly and monthly reporting* – While most local issuers adhere to an annual reporting schedule, SHRA is one of a few local issuers to require monthly and quarterly reports from property managers. Regular reporting allows SHRA to mitigate compliance issues throughout the year.
- d. *Audited financial statements* – SHRA is one of a few local issuers to require and review audited financial statements.
- e. *Landlord-tenant disputes* – Resolving landlord-tenant disputes falls under the purview of SHRA's bond monitoring program. Other issuers typically handle landlord tenant disputes separately from bond monitoring, particularly if the dispute does not concern annual rent limits covered in the bond resolution.
- f. *Relationship with Outside Issuers* – SHRA's policies are among the most receptive to outside issuers, particularly the policies adopted by the City which affirm SHRA's commitment to working with outside issuers.

Other local issuers generally define a narrower set of circumstances under which outside issuers are permitted when projects receive local funding. These circumstances include:

- 1) Must result in significant savings to the City (Los Angeles and San Francisco);
- 2) Pooled issuances located in multiple jurisdictions (San Diego Housing Authority and Contra Costa County);
- 3) Other special circumstances (City of San Jose).

Local issuers including SHRA will generally hold public hearings on behalf of outside issuers provided they are reimbursed for associated costs.

Local issuers noted that it can be more challenging to apply local procedures and requirements when the California Housing Finance Agency (Cal HFA) is the issuer because Cal HFA does not rely on local governments to hold public hearings in order to issue housing revenue bonds.

4. Monitoring Programs of Non-local Issuers

Table 2 summarizes the provisions of the monitoring programs of the top non-local conduit bond issuers.

- a. *Annual Monitoring fee* – The base fee amount levied by three issuers is .05% of the bond amount. CalHFA charges a flat rate of \$7,500 per project through the term of the regulatory period. Minimum fee amounts range from \$4,000 to \$7,500 per year. The minimum annual fee charged by CMFA and CalPFA decline to \$1,000 per year throughout the CDLAC compliance period after the qualified project period has expired.
- b. *Sharing of fees with local issuers* – Some of the outside issuers share a portion of their fees with local issuers to off-set the cost to the local issuer of providing a TEFRA hearing. For example, CalPFA shares 10% of its annual administrative fee with the local agency over the life of the bond term and CMFA shares 25% of its issuance fees with the host municipality and another 25% of issuance fees to charitable organizations within the host municipality.
- c. *Monitoring program* – The monitoring programs of the non-local issuers meet the requirements of CDLAC but are generally more streamlined than the programs of local issuers. For example, CSCDA contracts with Urban Futures to implement monitoring requirements and CPFA has developed an on-line system of forms that owners must complete annually. CMFA does not use an on-line system or outside vendor. CMFA staff are in close contact with owners' staff and train owners' staff to complete compliance forms. None of the programs conduct annual site visits of all projects.

CalHFA typically conducts site visits every three years but will conduct annual site visits of projects that have maintenance issues. CMFA conducts site visits every three years, CSCDA does not conduct any visits, and CPFA only visits mixed income projects. The programs use different procedures to monitor compliance with maintenance standards, resident services requirements, security requirements, etc. They typically have less involvement with landlord/tenant disputes and changes in ownership/ management than do local bond issuers.

All four non-local issuers issue bonds on behalf of projects that receive local gap financing. Surveyed representatives of CSCDA, Cal HFA, and the California Public Finance Authority all mentioned that issuing bonds on behalf of projects that receive local funding is not a common situation. The representative of CMFA, however, did not provide an indication that the situation is uncommon. Non-local issuers most often serve this role in smaller cities that do not have their own multifamily bond program. In larger cities, it is more common for the local agency to act as the issuer when local gap financing is provided.

Table 1

Local Issuer Monitoring Programs

Issuer Overview					
Rank	Issuer	2018 Issuances Amount	Number of 2018 Issuances	Policy Document	Date Policies Revised
1	City of Los Angeles Housing & Community Investment Department (HCIDLA)	\$405,431,456	14	Affordable Housing Bond Policies & Procedures	2019
2	City of San Jose	\$318,000,000	1	Policy For The Issuance Of Multifamily Housing Revenue Bonds	2018
3	City and County of San Francisco (SF MOHCD)	\$177,208,124	4	Multifamily Securities Program Manual	2018
4	Housing Authority of the City of San Diego and San Diego Housing Commission	\$159,735,000	7	Bond Issuance and Post Issuance Compliance Policy; Multifamily Bond Program	2018
5	County of Contra Costa	\$76,220,758	3	Debt Management Policies for Multifamily Mortgage Bond Financing Program	2019
6	Sacramento City and County Housing and Redevelopment Agency (SHRA)	\$67,186,052	3	Multifamily Lending and Mortgage Revenue Bond Policies (Section 9)	2019
7	County of Alameda (Alameda HCD)	\$59,149,000	3	Multifamily Tax Exempt Mortgage Bond Financing Program	2018
8	Los Angeles County Development Authority (LACDA) / HA of the County of LA	\$27,829,048	1	Policies and Procedures for Multifamily Revenue Bonds	2017
9	Housing Authority of the County of Santa Barbara	\$21,605,567	1	Statement of Fiscal Policies	2018
10	Housing Authority of the City of Los Angeles (HACLA) [new issuer]	\$17,500,000	1	Housing Conduit Bond Policy	2018

Table 1

Local Issuer Monitoring Programs

		Monitoring Fees			
Rank	Issuer	Annual Admin Monitoring Fee	Fee for Monitoring Non-Bond Units	Monitoring Fee at Close if \$7m Bond Issuance	Monitoring Fee at Conversion if \$4m Bonds Outstanding
1	City of Los Angeles Housing & Community Investment Department (HCIDLA)	Prior to conversion: .125% original principal Conversion: .125% of perm principal; min. \$2,500	Affordability (land use covenants): \$173/unit/year	\$8,750	\$5,000
2	City of San Jose	Prior to conversion: .125% orig. principal Conversion (if gov. or nonprofit sponsor): .125% perm. principal; min \$7,500	Affordability: \$38.75/unit/ year Loan Servicing: \$38.75/unit/ year	\$8,750	\$7,500
3	City and County of San Francisco (SF MOHCD)	First year: .125% orig. principal Subsequent: .125% highest outstanding principal in prior 12 mos.; min. \$2,500	None	\$8,750	\$5,000
4	Housing Authority of the City of San Diego and San Diego Housing Commission	Prior to conversion: .125% orig. principal; min \$10,000 After conversion: .125% perm. principal; min \$10,000	\$150 / unit / year to monitor affordability (if receiving local funding or governed by another local regulatory agreement)	\$10,000	\$10,000
5	County of Contra Costa	.125% orig. principal; \$5,000 min, \$25,000 max	\$250 per HOME unit, may be waived for bond projects	\$8,750	\$8,750
6	Sacramento City and County Housing and Redevelopment Agency (SHRA)	.125% orig. principal; \$25,000 max	\$100 per each SHRA-funded unit per year	\$8,750	\$8,750
7	County of Alameda (Alameda HCD)	.125% outstanding, min. \$7,500	\$300/ unit/ year for Alameda HCD-funded units	\$8,750	\$7,500
8	Los Angeles County Development Authority (LACDA) / HA of the County of LA	.125% outstanding; min \$6,000	\$7,150 per year for NOFA-funded projects	\$8,750	\$6,000
9	Housing Authority of the County of Santa Barbara	None - only issues bonds for own projects	None - only issues bonds for own projects	\$0	\$0
10	Housing Authority of the City of Los Angeles (HACLA) [new issuer]	Prior to conversion: .125% original principal Conversion: .125% of perm principal; min. \$4,000		\$8,750	\$5,000

Table 1

Local Issuer Monitoring Programs

Monitoring Program Administration							
Rank	Issuer	Staffing: Internal or third party	Property Manager Training	Frequency of site visits	Frequency of tenant file audit	Annual compliance form review	Quarterly or monthly borrower reporting
1	City of Los Angeles Housing & Community Investment Department (HCIDLA)	Third party (Urban Futures)	Yes	Only for HOME funded units (3 years / 20% of units)	Every year, 100% of units (electronic)	Yes (online portal)	None
2	City of San Jose	Internal	Yes	Every 2 years.	Annual.	Yes	None
3	City and County of San Francisco (SF MOHCD)	Internal	Yes (online videos, periodic in-person workshops)	Every 3 years, 10% of units, only for HOME-funded projects.	Every 3 years, 20% of units (electronic)	Yes (spreadsheet)	None
4	Housing Authority of the City of San Diego and San Diego Housing Commission	Internal, reserves right to use third party	1-2 trainings per year	Reserves right to conduct site visits.	Every 3 years, 20% of units	Yes	Ongoing reports on new leases
5	County of Contra Costa	Internal with third party online portal	Yes (online)	Every 3 years	Every 3 years (onsite)	Yes (online portal)	Quarterly reports
6	Sacramento City and County Housing and Redevelopment Agency (SHRA)	Internal	Yes	Every year, 20% of units	Every year, 20% of units	Yes (online portal)	Quarterly service reports; monthly occupancy reports
7	County of Alameda (Alameda HCD)	Internal	As needed, by phone	Every 3 years	Every 3 years (onsite)	Yes (online portal)	None
8	Los Angeles County Development Authority (LACDA) / HA of the County of LA	Internal	Yes	Only for HOME or Section 8-funded projects	Every 1 or 2 years, 100% of units (electronic)	Yes	Quarterly reports on new leases
9	Housing Authority of the County of Santa Barbara	Internal, relies on third party for initial income certifications	HA is the property manager	Not specific to bond monitoring. Capital needs assessment once per year.	At least every 3 years, 20% of units (electronic)	Yes	Not for bond monitoring
10	Housing Authority of the City of Los Angeles (HACLA) [new issuer]	Internal, may supplement w/ third party	New issuer, not yet determined	New issuer, not yet determined	New issuer, not yet determined	Yes	New issuer, not yet determined

Table 1

Local Issuer Monitoring Programs

		Monitoring Program Scope						
Rank	Issuer	Review of tenant eligibility practices	Review of maintenance standards	Review of Security Practices	Review of Resident Services	Review of mgmt. and ownership changes	Review of Audited financial statements	Review of landlord / tenant complaints
1	City of Los Angeles Housing & Community Investment Department (HCIDLA)	Yes	No. City Code enforcement conducts habitability assessment for all rental units every 4 years.	No	Borrower-reported	Yes	No	Only if dealing with rent limits.
2	City of San Jose	Yes	Yes. On-site visits every two years.	Yes, if they receive notice of security issues.	Yes. Owners annually self-certify.	Yes (annual questionnaire). They have the authority to request that the manager be changed if there are issues.	Yes, annually.	Yes. They will facilitate discussions and resolution between tenants and landlords.
3	City and County of San Francisco (SF MOHCD)	Yes	Driven by other funding	Driven by other funding	Borrower-reported	Yes	Yes (annual); Borrower self-reports key info, original statements provided as backup	Handled separately from bond monitoring
4	Housing Authority of the City of San Diego and San Diego Housing Commission	Yes	Driven by other funding	Driven by other funding	Borrower-reported	Yes	Driven by other funding	Handled separately from bond monitoring
5	County of Contra Costa	Yes	Not available	Not available	Borrower-reported, verified onsite	Yes	Not available	Not available
6	Sacramento City and County Housing and Redevelopment Agency (SHRA)	Yes	Yes (onsite inspection). Uses HUD's Housing Quality Standards.	Yes (onsite inspection).	Borrower-reported (quarterly), verified onsite	Yes	Yes (annual)	Yes, ongoing
7	County of Alameda (Alameda HCD)	Yes	Yes	No	Borrower-reported	Yes	Yes	Yes
8	Los Angeles County Development Authority (LACDA) / HA of the County of LA	Yes	No	No	Borrower reported	Yes	Driven by other funding	No
9	Housing Authority of the County of Santa Barbara	Yes	Yes, annual capital needs assessment	Yes, as owner/manager	Yes, as owner/manager	Not available	Finance department handles all project accounting	Yes, plans to hire ombudsman
10	Housing Authority of the City of Los Angeles (HACLA) [new issuer]	Yes	Driven by other funding	Driven by other funding	Borrower reported	Yes	Driven by other funding	Handled separately from bond monitoring

Table 1

Local Issuer Monitoring Programs

Page 5 of 5

Rank	Issuer	Relationship with Outside Issuers		
		Will local agency provide gap financing if local is also not bond issuer?	Will local hold TEFRA hearing on behalf of outside issuer?	Does local finance housing agency require outside issuer to adhere to certain underwriting and management standards?
1	City of Los Angeles Housing & Community Investment Department (HCIDLA)	Only if doing so will result in significant savings for the City. Other City agencies (Housing Authority) may issue housing bonds for their financed projects. Projects with a CDLAC allocation below \$15M may be referred to CalHFA pursuant to a joint MOU.	Yes	Must incorporate City's key regulatory restrictions; issuer responsible for compliance; borrower must pay accessibility monitoring fee of \$2,500 per year; must reimburse City for costs related to bond issuance. If Cal HFA is issuer, must incorporate accessibility requirements.
2	City of San Jose	Generally restricted, only permitted under special circumstances. Issuer must assume full responsibility for on-going compliance of bond issue with federal tax and state laws.	Yes, when feasible. Charges a fee of \$5,000 for TEFRA hearing.	Issuer responsible for compliance of the bond issue
3	City and County of San Francisco (SF MOHCD)	Only if doing so will result in significant savings for the City. Only two cases in recent memory.	Yes	Must incorporate City's key regulatory restrictions; must reimburse City for costs (typically split up-front fee); issuer is responsible for compliance (no monitoring fee).
4	Housing Authority of the City of San Diego and San Diego Housing Commission	Only in limited circumstances if the financing proposal is part of a pooled issuance involving projects located in multiple jurisdictions and the project proponent can demonstrate that a pooled issuance is necessary.	Yes	All affordability requirements, procedures and requirements apply to projects using outside issuers, including issuance fee and monitoring fees. Commission/ HA remains responsible for compliance monitoring.
5	County of Contra Costa	Only in limited circumstances when projects are part of a common plan of finance with one or more projects located within the County.	Yes	Not available
6	Sacramento City and County Housing and Redevelopment Agency (SHRA)	Yes, subject to review.	Yes, seeks reimbursement for TEFRA hearing and review of project up to 0.25 percent of bond issuance amount	SHRA procedures and requirements apply to rehab projects (City manual). SHRA monitoring fee is waived unless outside issuer requests monitoring.
7	County of Alameda (Alameda HCD)	Must use Alameda HCD or city government to issue bonds unless waiver is granted.	No	Not unless Alameda HCD funds are committed.
8	Los Angeles County Development Authority (LACDA) / HA of the County of LA	Generally required to use LACDA. Exceptions if City is issuer or use of Cal HFA financing. JPAs (i.e., CSCDA, CMFA, CPFA) not allowed.	Yes	Outside issuer responsible for monitoring but County reserves right for fee sharing in some circumstances.
9	Housing Authority of the County of Santa Barbara	No, HA only issues bonds on behalf of their own projects	County Board of Supervisors holds TEFRA hearing for HA and may do the same for outside issuers.	No
10	Housing Authority of the City of Los Angeles (HACLA) [new issuer]	HCIDLA is default issuer if HACLA does not opt to act as issuer for their financed projects.	n/a Not the primary issuer in City of LA	n/a Not the primary issuer in City of LA

Table 2

Non-Local Issuer Monitoring Programs

Issuer Ranking	Issuer	Overview		Monitoring Fees		
		Program	Policies Revised	Annual Admin Monitoring Fee	Monitoring Fee at Close if \$7m Bond Issuance	Monitoring Fee at Conversion if \$4m Bonds Outstanding
1	California Municipal Finance Authority (CMFA)	Multifamily Housing Conduit	2018	0.05% (based on bond amounts outstanding each year); min. \$4,000/year. Minimum is reduced to \$1 million throughout the CDLAC compliance period after the qualified project period has expired.	\$4,000	\$4,000
2	California Statewide Communities Development Authority (CSCDA)	Multifamily Housing Conduit	2016	0.05%; minimum of \$5,000	\$5,000	\$5,000
3	California Housing Finance Agency	Multifamily Housing Conduit	2019	\$7,500, through term of regulatory period. If there are scattered sites, then the annual fee is \$5,000 per site.	\$7,500	\$7,500
4	California Public Finance Authority	Multifamily Housing Conduit	2017	0.05% on outstanding principal. Minimum fee of \$4,000. Shares 10% with local to compensate for TEFRA hearing. Minimum is reduced to \$1,000 throughout the CDLAC compliance period after the qualified project period has expired.	\$4,000	\$4,000

Table 2

Non-Local Issuer Monitoring Programs

Issuer Ranking	Issuer	Monitoring Program				
		Frequency of site visits	General Program	Monitor all units or only regulatory units	review of tenant eligibiltiy practices	Review of maintenance standards
1	California Municipal Finance Authority (CMFA)	Every 3 years	Manual system and train owners' staff to complete forms.	Monitor entire project, excluding market rate units.	Annually	Yes, through site visits. Standards are provided in loan documents.
2	California Statewide Communities Development Authority (CSCDA)	not required	Contract with Urban Futures (UF charges \$300 per project per year)		self certification	no
3	California Housing Finance Agency	Typically every 3 years. Projects with maintenance issues are visited annually.	Meet CDLAC requirements. All compliance monitoring is undertaken by in-house staff. They use a combination of an on-line system and a manual system.	Only untis restricted by regulatory agreement.	They review projectes that have a loan with CalHFA. Do not review other projects.	Yes.
4	California Public Finance Authority	Only on mixed income projects. Visit those every 3 years.	Meet CDLAC requirements. Owners use on-line system developed by Cal PFA, which reduces degree of human error. Local agencies may purchase license to on-line system.	Only units restricted by CDLAC. Not market rate units	on-line system	no

Table 2

Non-Local Issuer Monitoring Programs

Issuer Ranking	Issuer	Monitoring Program				
Ranked by Value of 2018 Issuance	Issuer	Review of Security Practices	Review of Resident Services	Review of mgmt. and ownership changes	Review of Audited financial statements	Review of lanlord / tenant complaints
1	California Municipal Finance Authority (CMFA)	Yes; same process as maintenance standards.	Yes. Verified annually through CDLAC forms.	Must be reported and have authority to intercede.	No	Occasionally.
2	California Statewide Communities Development Authority (CSCDA)	no	no	yes - review and approve	No	No
3	California Housing Finance Agency	Yes, during on-site visits.	Yes. Owners self certify.	Yes. Approval by CalHFA is required by regulatory agreement.	They review projects that have a loan with CalHFA. Do not review other projects	Depends on product type. They intercede for Section 8 units.
4	California Public Finance Authority	no	self-certification as part of CDLAC report	Not on a regular basis. But, have authority to change mgmt. company if there are problems.	No	they do not typically become engaged

Table 2
Non-Local Issuer Monitoring Programs

Issuer Ranking	Issuer	Relationship with Local Agency		
		Do you issue when local has provided gap funding?	Does local provide TEFRA?	Do local agencies set underwriting / mgmt. standards?
1	California Municipal Finance Authority (CMFA)	Yes	Yes. CMFA shares 25% of all issuance fees with host municipality and donates another 25% to charitable organizations within host municipality.	No
2	California Statewide Communities Development Authority (CSCDA)	Yes, but not typical. Most local agencies that provide funds also issue bonds.	Yes	No
3	California Housing Finance Agency	Occasionally.	No. CalHFA provides TEFRA hearing at no charge to owner.	No
4	California Public Finance Authority	Yes, but few projects in that category.	Yes	No

