



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: EL RANCHO VERDE PROJECT

DATE: July 30, 2018

Approved D. DSYL

Date 8/2/18

COUNCIL DISTRICT: 3

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

1. To inform there is a change in the 2018B Notes interest rate. For this housing transaction, the 2018B Notes will accrue at an adjustable interest rate. The adjustable interest rate is defined as the sum of the current index (one month LIBOR) and margin. In the memo it was stated the 2018B Notes had a fixed interest rate of 4.62%.
2. To provide the attached public disclosures pursuant to California Government Code Section 5852.1.

/s/
JULIA H. COOPER
Director of Finance

For questions, please contact Lisa Taitano, Assistant Director of Finance at 408-535-7041.

Attachment

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the City of San José (the "City") prior to the City's regular meeting (the "Meeting") of its City Council (the "City Council") at which Meeting the City Council will consider the authorization of conduit revenue obligations (the "Notes") as identified below.

1. Name of Borrower: ERV Community Partners, LP, a California limited partnership.
2. City Council Meeting Date: August 7, 2018.
3. Name of Note Issue / Conduit Revenue Obligations: City of San José Multifamily Housing Revenue Note (El Rancho Verde Apartments) Series 2018A and City of San José Multifamily Housing Revenue Note (El Rancho Verde Apartments) Series 2018B.
4. ☒ Private Placement Lender or Note Purchaser, ☐ Underwriter or ☐ Financial Advisor (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Notes:
 - (A) The true interest cost of the Notes, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Notes (to the nearest ten-thousandth of one percent): 4.6742%. Note: this is a blended rate based on the fixed rate for the Series 2018A Notes and an assumed rate for the variable rate Series 2018B Notes.
 - (B) The finance charge of the Notes, which means the sum of all fees and charges paid to third parties: \$4,408,175, consisting of \$2,985,300 upfront and \$1,422,875 in on going fees. These finance charges are paid from sources outside of Note proceeds.
 - (C) The amount of proceeds received by the public body for sale of the Notes less the finance charge of the Notes described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Notes: \$318,000,000. All finance charges are paid from sources outside of Note proceeds.
 - (D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the Notes plus the finance charge of the Notes described in subparagraph (B) not paid with the proceeds of the Notes (which total payment amount shall be calculated to the final maturity of the Notes): \$529,210,157.

This document has been made available to the public at the Meeting of the City Council.

Dated: _____