

**City of Hayward  
City Council and Agency Board Meeting  
October 6, 2009  
Tennyson Gardens**

**Tax-Exempt Multi-Family Housing Revenue  
Refunding Bonds and  
\$1,500,000 Agency  
Rehabilitation Loan**

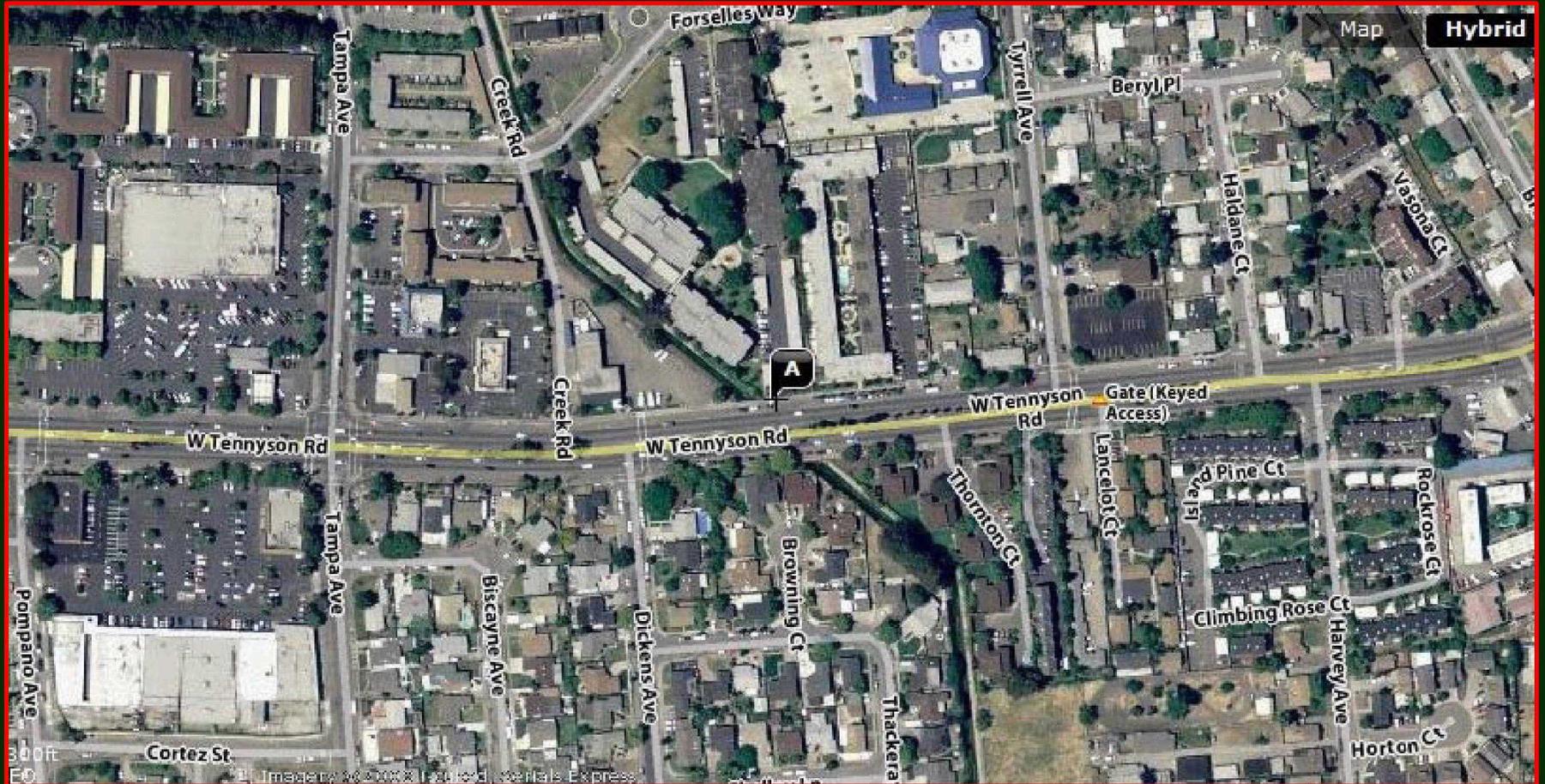


## Tennyson Gardens

**This 96-unit affordable rental complex located at 981 W. Tennyson Road -west of Tyrrell Avenue- was acquired and rehabilitated in 2001 by Preservation Partners**



# Tennyson Gardens



## Proposed Sale and Refinancing

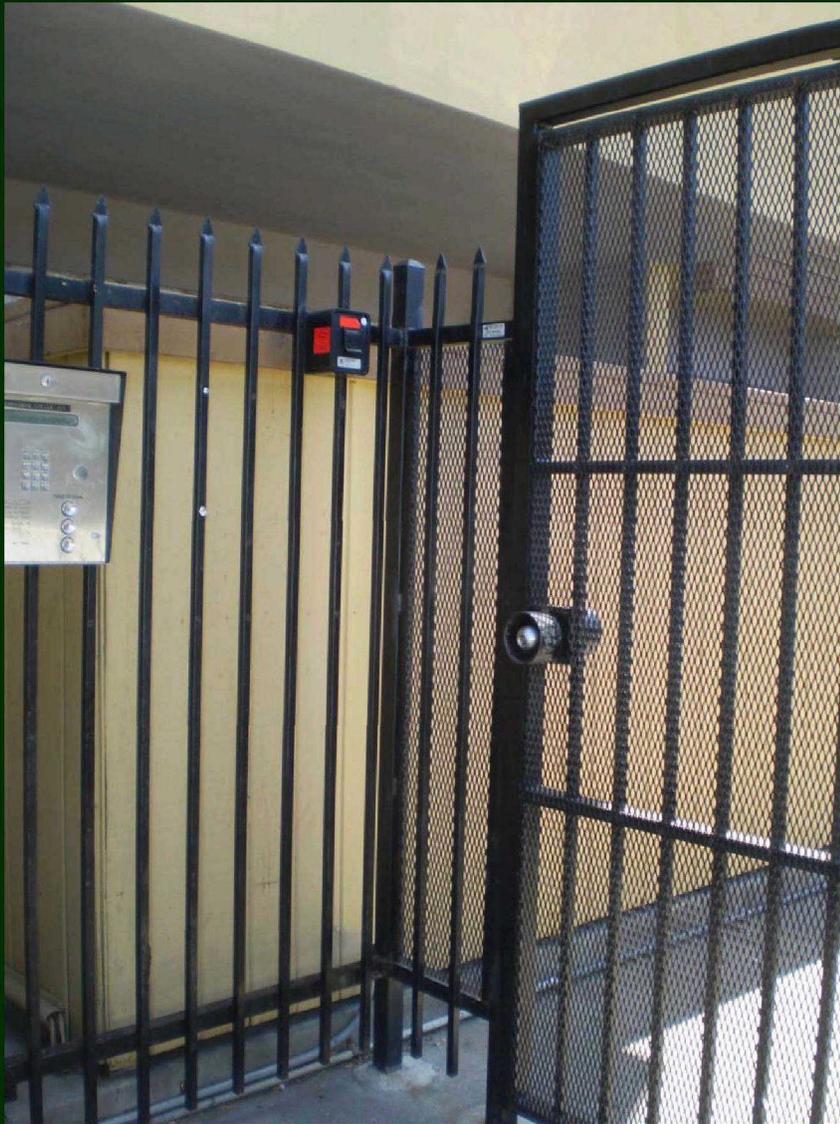
- **Preservation Partners proposes to sell its partnership interest in the property to Eden Housing Inc. as a result of current and anticipated costs overruns.**
- **Eden is requesting Re-financing of bonds to achieve lower, fixed-rate debt, and also requests a \$1.5 million loan from Agency Low-Mod funds.**
- **US Bank, will contribute \$450,000 new equity and will purchase new bonds.**
- **Eden to forego “developer fee”.**



## Use of Agency Loan

- **Security upgrades – fencing, gates, landscaping**
- **Dry rot and siding repairs throughout the property, ADA improvements, and pavement repairs**
- **Plumbing repairs and new water heaters as needed**
- **Remodeling and upgrade of the Office/Community Building**
- **\$400,000 will be placed in Agency-controlled operating/replacement reserves**

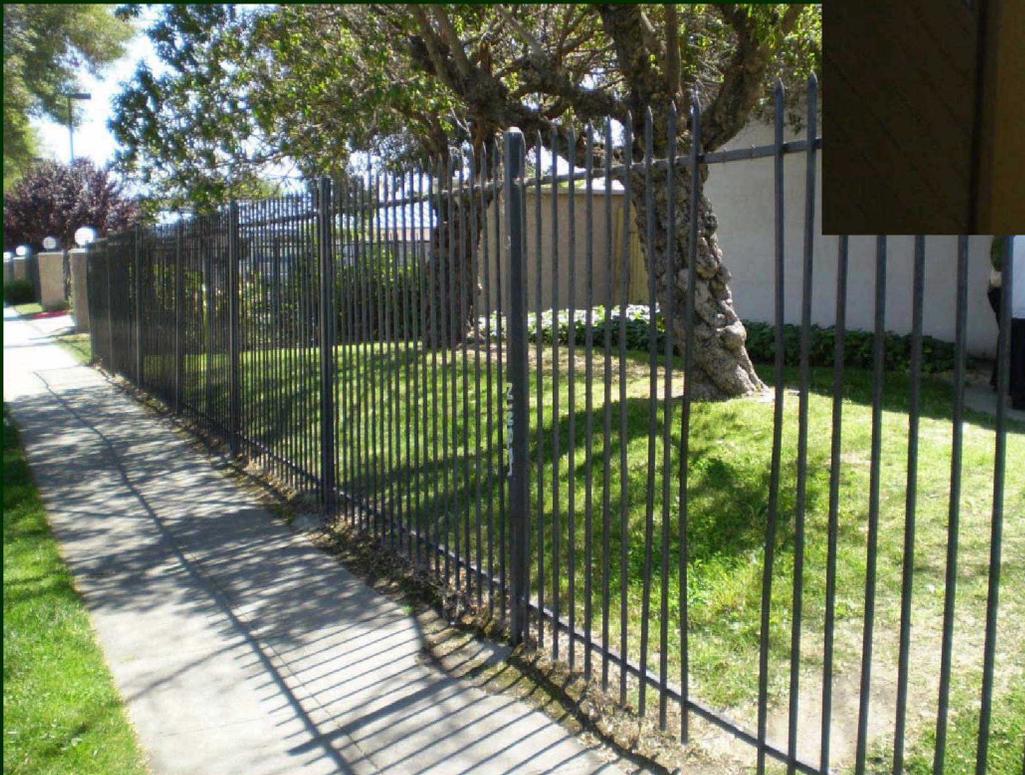




**Security Improvements Needed**



## **New Parapets Needed**



## **Security Improvements Fencing**



## The proposed terms of the \$1.5 million Agency loan:

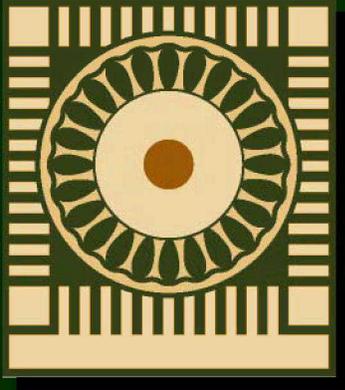
- **40 year-term**
- **3% simple interest rate compounded annually**
- **payments from 66% of the project's residual receipts applied first towards the outstanding loan interest, and then to principal**
- **The deed securing the Agency loan will be junior to the liens of the bond mortgage**



## Refunding mortgage revenue bonds

- **New bond amount not to exceed \$5,500,000 (est. actual is \$5,021,264)**
- **New bonds will have the same or a shorter maturity than the existing bonds, and principal amount of bonds is less than existing bonds (\$6.6 million)**
- **Notable change: they will be structured as a private placement to U.S. Bank National Association**





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