



KLEIN FINANCIAL CORPORATION

IVY HILL APARTMENTS

1700 Botelho Drive
Walnut Creek, CA 94596
<http://www.liveatmetlofts.com/>

Ivy Hill Apartments consists of 116 new construction apartments built on top of a garage podium, 48 luxury condominiums, and the development of a public park that borders the properties. Klein Financial Corporation provided the development and financial consulting services for this project. Tax exempt multifamily housing revenue bonds and low income housing tax credits were utilized in this financial structure, thus providing 40% of the apartments to individuals and families with income at or below 60% of area median income. This property had significant redevelopment agency involvement, evidenced through an Owner Participation Agreement. Klein Financial Corporation's financial consulting services included creating innovative project financial technology, including a land swap with the City to optimize the site plan and public park facilities, CFD financing for public improvements, short term city subordinate financing as a low cost equity substitute, a long term redevelopment agency affordable housing forgivable loan, condemnation of speculative hold out property owners, negotiation of development and planning code standards to enhance project feasibility including reduced urban residential parking requirements, tandem parking in compact stalls and a fire safety equivalency analysis. The financial structure also included a permanent financing commitment to provide the construction lender



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a reliable exit strategy and the financial and physical design of the project was enhanced for competitive CDLAC bond allocation ranking. Other financial innovations included development of a multi-modal bond structure, Series B bond escrow structuring during the construction and lease up period to achieve allowable positive arbitrage, and the negotiation of a discretionary tax credit threshold basis adjustments for a 20% increase in tax credit equity. The CFD bond financial structuring included a construction district structure to allow the developer to have control over the timing and quality of the public improvements, and a staged construction value analysis was used to maximize CFD proceeds and minimize developer equity. A description of other financial innovations for this property is available upon request.

