

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 14, 2016**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Felicity Wood*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$20,000,000

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**Project Information:**  
**Name:** Rotary Miller Avenue Senior Housing  
**Project Address:** 310-314 Miller Avenue & 313 Tamarack One Site  
**Project City, County, Zip Code:** South San Francisco, San Mateo, 94080

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**Project Sponsor Information:**  
**Name:** Miller Avenue Senior Housing, LP (Rotary Miller Avenue LLC)  
**Principals:** Pete Carcione, Bruce Wright, Henry Karnilowicz, Ancel Romero, Gloria Meads, and Pam Claasen for Rotary Miller Avenue LLC.  
**Property Management Company:** Beacon Communities, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Private Placement Purchaser:** Citibank, N.A.  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**TEFRA Noticing Date:** October 23, 2016  
**TEFRA Adoption Date:** November 9, 2016

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 80, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior Citizens

The project is planned as an affordable senior apartment complex in downtown South San Francisco. Eighty units will be restricted to 50% AMI and below, with one manager unit. Additionally, the applicant commits to set aside 20% of the units for seniors with disabilities. Community amenities include a central laundry room, an exercise room and a lounge with access to outdoor terrace space with heaters. The project will also provide van service, and check-out of laptops. The anticipated start date is March 2017 with completion in July 2018.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (80 units) restricted to 50% or less of area median income households.  
       (0 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 bedroom

The proposed project will be providing service amenities.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

**Estimated Total Development Cost:** \$ 36,020,588  
**Estimated Hard Costs per Unit:** \$ 270,543 (\$21,643,407 /80 units)  
**Estimated per Unit Cost:** \$ 444,699 (\$36,020,588 /81 units including mgr. units)  
**Allocation per Unit:** \$ 250,000 (\$20,000,000 /80 units)  
**Allocation per Restricted Rental Unit:** \$ 250,000 (\$20,000,000 /80 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 20,000,000	\$ 5,600,000
LIH Tax Credit Equity	\$ 1,418,500	\$ 13,967,832
Land Donation/GP Capital	\$ 2,040,000	\$ 2,040,000
Deferred Developer Fee	\$ 0	\$ 1,611,977
Rotary Plaza Inc. Loan (49% MM)	\$ 6,230,820	\$ 10,279,918
ADI/DOH County of San Mateo	\$ 26,850	\$ 26,850
Accrued Deferred Interest RPI	\$ 184,011	\$ 184,011
FHLB AHP Deferred (SVB)	\$ 810,000	\$ 810,000
DOH County of San Mateo	\$ 1,500,000	\$ 1,500,000
<b>Total Sources</b>	<b>\$ 32,210,181</b>	<b>\$ 36,020,588</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 2,358,259
Relocation	\$ 350,000
New Construction	\$ 21,643,407
Architectural Fees	\$ 1,295,634
Construction Interest and Fees	\$ 1,658,208
Permanent Financing	\$ 65,000
Legal Fees	\$ 15,000
Reserves	\$ 363,182
Appraisal	\$ 10,000
Contingency Cost	\$ 2,153,705
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,996,216
Developer Costs	\$ 4,111,977
<b>Total Uses</b>	<b>\$ 36,020,588</b>

**Analyst Comments:**

None

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**Legal Questionnaire:**

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:** 91.5 out of 140

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$20,000,000 in tax exempt bond allocation on a carryforward basis.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	4
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>91.5</b>

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.