

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 13, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant:	California Public Finance Authority
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Allocation Amount Requested:	Tax-exempt: \$25,000,000
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Project Information:	Name: Bidwell Pointe Apartments
	Project Address: 125 East Bidwell Pointe
	Project City, County, Zip Code: Folsom, Sacramento, 95630

Project Sponsor Information:	Name: St. Anton Folsom, LP (St. Anton Folsom, LLC & PacH Anton South Holdings)
	Principals: Peter H. Geremia for St. Anton Folsom, LLC; Mark A. Wiese for PacH Anton South Holdings, LLC
	Property Management Company: St. Anton Multifamily, Inc.

Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP
	Private Placement Purchaser: Banner Bank
	Cash Flow Permanent Bond: Not Applicable
	Public Sale: Not Applicable
	Underwriter: Not Applicable
	Credit Enhancement Provider: Not Applicable
	Rating: Not Applicable
	TEFRA Noticing Date: September 26, 2017
	TEFRA Adoption Date: October 10, 2017

Description of Proposed Project:	State Ceiling Pool: General
	Total Number of Units: 140
	Manager's Units: 2 Unrestricted
	Type: New Construction
	Population Served: Family

Bidwell Pointe Apartments is a new construction project located in Folsom on a 4.16-acre site. The project consists of 100 restricted rental units, 40 market rate units and 2 unrestricted managers' units. The project will have 67 one-bedroom units, 58 two-bedroom units, 8 three-bedroom units and 7 live/work units. The 7 buildings will be 3 stories and of a stick type of construction. Common amenities include community room, laundry room, business center and a fitness center. Each unit will have fully equipped kitchens, patio or balcony, designer cabinetry, large bathrooms, sheet vinyl flooring. There are 220 parking spaces provided. The construction is expected to begin January 2018 and be completed in July 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 71%

10% (14 units) restricted to 50% or less of area median income households.
61% (86 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 34,987,654	
Estimated Hard Costs per Unit:	\$ 152,448	(\$21,342,729 /140 units including mgr. units)
Estimated per Unit Cost:	\$ 249,912	(\$34,987,654 /140 units including mgr. units)
Allocation per Unit:	\$ 178,571	(\$25,000,000 /140 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 250,000	(\$25,000,000 /100 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 25,000,000	\$ 17,290,000
LIH Tax Credit Equity	\$ 890,000	\$ 8,844,425
Deferred Developer Fee	\$ 0	\$ 1,623,390
Def. Interest on Sub Loans	\$ 0	\$ 395,996
GP (Unaffiliated) Sub. Loan	\$ 1,250,000	\$ 1,250,000
City of Folsom Subordinate Loan	\$ 5,300,000	\$ 5,300,000
Net Income From Operations	\$ 0	\$ 283,843
Total Sources	\$ 32,440,000	\$ 34,987,654

Uses of Funds:	
Land Cost/Acquisition	\$ 2,227,750
New Construction	\$ 19,466,689
Contractor Overhead & Profit	\$ 923,928
Architectural Fees	\$ 523,950
Construction Interest and Fees	\$ 567,433
Permanent Financing	\$ 1,026,992
Legal Fees	\$ 70,000
Reserves	\$ 416,363
Hard Cost Contingency	\$ 1,016,320
Local Development Impact Fees	\$ 3,844,208
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,504,021
Developer Costs	\$ 3,400,000
Total Uses	\$ 34,987,654

Analyst Comments:

None

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.

Total Points:

61 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$25,000,000 in tax-exempt bond allocation.

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	19
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	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	2
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	61