

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 20th, 2015
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Devon King

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$5,676,523

Project Information:
Name: Dinuba Village Apartments
Project Address: Corner of E. Drive and N. Crawford Ave
Project City, County, Zip Code: Dinuba, Tulare, 93618

Project Sponsor Information:
Name: Self-Help Enterprises
Principals: Thomas J. Collishaw, Kathy Long-Pence for Selp- Help Enterprises
Property Management Company: AWI Management Corporation

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank
TEFRA Adoption Date: March 24, 2015

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 43, plus 1 manager unit
Type: New Construction
Type of Units: Family

Dinuba Village is a proposed new multi-family construction, which will be located on 5.36 acres at the corner of E. Davis Drive and N. Crawford Avenue in Dinuba California. The land is currently vacant, approximately one mile from the downtown area of the City of Dinuba, and adequate sewer and water infrastructure exist. There will be a total of 44 units at Dinuba Village: 22 two bedroom and 22 three bedroom units. All units will have a refrigerator, dishwasher, garbage disposal, gas stove, carpeting, central air and gas heating, washer and dryer hookups, patio, storage, hall closet and blinds. Common tenant amenities include a 3,217 square foot community center with a laundry room, full kitchen, two offices, a computer lab, and a great room. Outdoor amenities consist of a picnic tables, bar-b-ques, playground, and basketball court. The project will be appropriately landscaped to include family-friendly lawn areas, flowers, trees and shrubs. Construction is scheduled to begin September 2015, with completion anticipated by August 2016.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

79% (34 units) restricted to 50% or less of area median income households.

21% (9 units) restricted to 60% or less of area median income households.

Unit Mix: 2 & 3 bedrooms

Service amenities will include after school programs, and an instructor led-educational, health wellness, and skill building classes which will be provided by several non-profits.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 10,536,410	
Estimated Hard Costs per Unit:	\$ 128,785	(\$5,537,773 /43 units)
Estimated per Unit Cost:	\$ 245,033	(\$10,536,410 /43 units)
Allocation per Unit:	\$ 132,012	(\$5,676,523 /43 units)
Allocation per Restricted Rental Unit:	\$ 132,012	(\$5,676,523 /43 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 5,676,253	\$ 0
LIH Tax Credit Equity	\$ 207,073	\$ 3,926,316
Direct & Indirect Public Funds	\$ 3,200,000	\$ 4,974,514
Other(Permanent Loan)	\$ 0	\$ 524,600
Other(Deferred Developer Fee)	\$ 0	\$ 200,327
Other(GP Equity)	\$ 0	\$ 100
Other(Sponsor Loan)	\$ 0	\$ 910,553
Total Sources	\$ 9,083,326	\$ 10,536,410

Uses of Funds:	
Acquisition/Land Purchase	\$ 635,000
On & Off Site Costs	\$ 950,000
Hard Construction Costs	\$ 4,587,773
Architect & Engineering Fees	\$ 250,000
Contractor Overhead & Profit	\$ 713,612
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 161,763
Capitalized Interest	\$ 191,574
Other Costs(Local Impact Fee)	\$ 1,386,879
Other Soft Costs (Marketing, etc.)	\$ 459,809
Total Uses	\$ 10,536,410

Description of Financial Structure and Bond Issuance:

The proposed financing is a private placement loan provided by Wells Fargo Bank. The construction lender is Wells Fargo and the loan amount is \$5,840,514 or an amount not to exceed eighty percent (80%) of the total appraised value. The loan shall mature eighteen (18) months after the recordation of the deed of trust securing the loan. The loan may be extended twice for a period lasting no longer than 3 months per extension. The interest rate will bear interest at a rate per annum (calculated on the basis of a 360 day year) equal to 1- Month LIBOR in effect from time to time plus 2.0% spread. The permanent lender is California Community Reinvestment Corporation for an amount of \$524,600.

Analyst Comments:

Not Applicable

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: 98 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,676,253 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	3
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	10	10	10
Negative Points	-10	-10	0
Total Points	130	100	98

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.