

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 21, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt: \$27,791,620

Project Information:

Name: Parks at Fig Garden Apartments
Project Address: 4085 N. Fruit Avenue
Project City, County, Zip Code: Fresno, Fresno, 93705

Project Sponsor Information:

Name: Fruit Avenue Housing Associates, L.P. (Ashlan Ave Housing, LLC)
Principals: Susan M. Reynolds and Anne B. Wilson for Ashlan Ave Housing, LLC
Property Management Company: ConAm Management Corporation

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Jones Lang LaSalle Multifamily, LLC and Parks at Fig, LLC
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: July 13, 2016
TEFRA Adoption Date: August 5, 2016

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 362, plus 4 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family

Parks at Fig Garden Apartments is an existing project located in Fresno on a 27.14 acres. The project consists of 75 one-bedroom units, 230 two-bedroom units and 57 three-bedroom units. The rehabilitation will focus on building envelope, site improvements, energy efficiency upgrades, and unit livability. Improvements will include replacement of exterior siding, new windows/sliding doors, exterior paint, repair and replacement of hot water heating systems, HVAC, and site lighting. Residential kitchens, bathrooms, flooring, and paint will be completed on an as needed basis. Sitework will include tree trimming, sidewalk repairs and path of travel upgrades, parking lot repaving, and vehicular access gate repair. Improvements to the landscape have been carefully designed to reduce the project's demand on the City of Fresno's water supply including the use of drought-tolerant and native plantings. In addition, the construction scope includes an upgraded security system to increase safety and comfort for residents.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (37 units) restricted to 50% or less of area median income households.
90% (325 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: \$ 58,400,873
Estimated Hard Costs per Unit: \$ 45,357 (\$16,419,305 /362 units)
Estimated per Unit Cost: \$ 159,565 (\$58,400,873 /366 units including manager un
Allocation per Unit: \$ 76,772 (\$27,791,620 /362 units)
Allocation per Restricted Rental Unit: \$ 76,772 (\$27,791,620 /362 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 27,791,620	\$ 27,791,620
LIH Tax Credit Equity	\$ 21,731,273	\$ 23,310,388
General Partner Equity	\$ 100	\$ 100
Deferred Developer Fee	\$ 4,941,537	\$ 4,941,537
Deferred Costs	\$ 1,579,114	\$ 0
Net Income From Operations	\$ 2,357,228	\$ 2,357,228
Total Sources	\$ 58,400,872	\$ 58,400,873
Uses of Funds:		
Land Cost/Acquisition	\$ 24,893,696	
Rehabilitation	\$ 18,649,506	
Relocation	\$ 114,200	
Contractor Overhead	\$ 696,179	
Architectural Fees	\$ 539,700	
Survey and Engineering	\$ 40,000	
Construction Interest and Fees	\$ 2,084,948	
Permanent Financing	\$ 611,282	
Legal Fees	\$ 199,100	
Reserves	\$ 682,499	
Appraisal	\$ 18,000	
Contingency Cost	\$ 1,934,569	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 738,194	
Developer Costs	\$ 7,199,000	
Total Uses	\$ 58,400,873	

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:

56 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$27,791,620 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	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	6
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
Total Points	140	120	56

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.