

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 19, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	Tax-exempt: \$16,660,000
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Project Information:	Name: Valley View Senior Homes Apartments
	Project Address: 31 Theresa Avenue
	Project City, County, Zip Code: American Canyon, Napa, 94503

Project Sponsor Information:	Name: Valley View Senior Homes, L.P. (Satellite AHA Development, Inc)
	Principals: Mike Jacob, Smitha Seshadri and David Greensfelder for Satellite AHA Development, Inc.
	Property Management Company: Satellite Affordable Housing Associates Property Management

Project Financing Information:	Bond Counsel: Jones Hall, A Professional Law Corporation
	Private Placement Purchaser: Silicon Valley Bank (construction) / California Community Reinvestment Corporation (permanent)
	Public Sale: Not Applicable
	Underwriter: Not Applicable
	TEFRA Noticing Date: August 16, 2016
	TEFRA Adoption Date: September 6, 2016

Description of Proposed Project:	State Ceiling Pool: General
	Total Number of Units: 69, plus 1 manager unit
	Type: New Construction
	Type of Units: Senior Citizens

Valley View Senior Homes Apartments is a new construction project located in American Canyon on a 3.75 acre site. The project consists of 69 restricted rental units and 1 manager unit. The project will have 66 one-bedroom units and 3 two-bedroom units. The specific features of the site plan includes cottages, stacked flats and a clubhouse. All units will feature a ceiling fan, closet space, carpet, window treatments, and a full kitchen with appliances (refrigerator, stove, oven, and microwave). A variety of programs will be available to the residents including computer training, health management and preventative screenings, exercise classes and walking groups, gardening club, disaster preparedness and weekly social events such as movie nights, coffee hour and potlucks. In addition, the Veterans Health Administration (VA) will provide medical treatment, substance abuse and mental health counseling, and on-site case management for the veteran households. The construction is expected to begin March 2017 and May 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (7 units) restricted to 50% or less of area median income households.
90% (62 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 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: \$ 24,665,241
Estimated Hard Costs per Unit: \$ 174,710 (\$12,055,008 /69 units)
Estimated per Unit Cost: \$ 352,361 (\$24,665,241 /70 units including mgr. units)
Allocation per Unit: \$ 241,449 (\$16,660,000 /69 units)
Allocation per Restricted Rental Unit: \$ 241,449 (\$16,660,000 /69 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 16,660,000	\$ 0
Tax-Exempt Bond Proceeds - Tranche A	\$ 0	\$ 359,000
Tax-Exempt Bond Proceeds - Tranche B	\$ 0	\$ 3,409,000
Napa County Affordable Housing Fund	\$ 775,698	\$ 775,698
LIH Tax Credit Equity	\$ 1,115,964	\$ 11,159,638
City of American Canyon	\$ 1,603,110	\$ 1,603,110
Deferred Developer Fee	\$ 285,000	\$ 285,000
Deferred Costs	\$ 615,237	\$ 0
HCD CDBG Funds	\$ 930,233	\$ 930,233
HCD VHHP Program	\$ 0	\$ 2,813,562
Affordable Housing Program	\$ 1,380,000	\$ 1,380,000
Gasser Foundation & Home Depot Contribution	\$ 0	\$ 650,000
General Partner Contribution	\$ 1,300,000	\$ 1,300,000
Total Sources	\$ 24,665,242	\$ 24,665,241

Uses of Funds:	
Land Cost/Acquisition	\$ 2,528,662
New Construction	\$ 12,218,498
Contractor Overhead	\$ 666,071
Architectural Fees	\$ 610,900
Survey and Engineering	\$ 303,750
Construction Interest and Fees	\$ 1,384,496
Permanent Financing	\$ 61,680
Legal Fees	\$ 55,000
Reserves	\$ 189,978
Appraisal	\$ 10,000
Contingency Cost	\$ 1,434,823
Local Development Impact Fees	\$ 1,557,840
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,143,543
Developer Costs	\$ 2,500,000
Total Uses	\$ 24,665,241

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: 67.5 out of 140
[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$16,660,000 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	25
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	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
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	67.5

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.