

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: Louise Eller

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:

Tax-exempt: \$300,000

The amount of allocation requested is supplemental to the \$15,700,000 of allocation the Project received on March 16, 2016.

Project Information:

Name:	Barrett Plaza Apartments (Supplemental)
Project Address:	510 Barrett Avenue, 515 7th St, Barrett Avenue
Project City, County, Zip Code:	Richmond, Contra Costa, 94801

Project Sponsor Information:

Name:	Barrett Plaza Housing, L.P. (CHDC Barrett Plaza, LLC)
Principals:	Donald Gilmore, Charles Fowlkes, Joseph Villareal, Norma Thompson and Marena Brown for Community Housing Development Corporation of North Richmond
Property Management Company:	North Richmond Economic Development Corporation

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:	January 16, 2016
TEFRA Adoption Date:	February 9, 2016

Description of Proposed Project:

State Ceiling Pool:	General
Total Number of Units:	57, plus 1 manager unit
Type:	Acquisition and Rehabilitation
Type of Units:	Family

Barrett Plaza is an existing 58-unit apartment community located on Barrett Avenue in Richmond. The project has 46 three bedroom units, 11 four bedroom units, and one manager's unit. The project occupies a total of 3.07 acres across 3 parcels along Barrett Avenue and 7th Street. It consists of 14 two-story buildings, containing between three and six units each. Parking is provided in uncovered surface lots that are fenced and equipped with power-operated gates. The site also has three tot lots and three BBQs. All buildings are wood-framed structures covered in stucco and built on reinforced concrete slabs. All units are two-story with stairway access to second floor and have their own front and back entrance. The physical needs assessment concluded that multiple items need to be replaced such as furnaces, exhaust fans, water heaters, stucco patio walls and retrofitted windows. Full gut rehabilitation of the interior of 49 units including new flooring, bathroom fixtures, bathroom and kitchen cabinets, etc. New landscaping for grounds is also needed. Construction will be phased with residents relocated either to vacant units on-site or to off-site housing while their building is being rehabbed. The rehabilitation is expected to start in July 2016 and complete in April 2017.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 93%
93% (53 units) restricted to 50% or less of area median income households.
Unit Mix: 3 & 4 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:	\$	30,803,756	
Estimated Hard Costs per Unit:	\$	117,940	(\$6,722,593 /57 units)
Estimated per Unit Cost:	\$	531,099	(\$30,803,756 /58 units including mgr. units)
Allocation per Unit:	\$	5,263	(\$300,000 /57 units)
Allocation per Restricted Rental Unit:	\$	5,660	(\$300,000 /53 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 16,000,000	\$ 7,110,000
Accrued/Deferred Interest	\$ 299,652	\$ 299,652
LIH Tax Credit Equity	\$ 835,757	\$ 10,040,566
Developer Equity	\$ 100	\$ 100
Deferred Developer Fee	\$ 877,441	\$ 877,441
Existing Project Reserves	\$ 439,076	\$ 439,076
Seller Carryback Loan	\$ 10,903,443	\$ 10,903,443
GP Loan	\$ 0	\$ 1,100,000
Net Income From Operations	\$ 0	\$ 33,477
Total Sources	\$ 29,355,469	\$ 30,803,755

Uses of Funds:	
Land Cost/Acquisition	\$ 15,161,435
Rehabilitation	\$ 7,387,243
Relocation	\$ 900,000
Contractor Overhead & Profit	\$ 258,032
Architectural Fees	\$ 354,405
Survey and Engineering	\$ 125,000
Construction Interest and Fees	\$ 1,148,608
Permanent Financing	\$ 39,000
Legal Fees	\$ 127,500
Reserves	\$ 571,137
Appraisal	\$ 30,589
Contingency Cost	\$ 766,957
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,433,849
Developer Costs	\$ 2,500,000
Total Uses	\$ 30,803,755

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.

Recommendation:

Staff recommends that the Committee approves \$300,000 in tax exempt bond allocation on a carryforward basis.