

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 15, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	California Statewide Communities Development Authority
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Allocation Amount Requested:	
Tax-exempt:	\$42,000,000

Project Information:	
Name:	Summer Field Apartments (scattered site)
Project Address:	83385 Gemini Street and 83255 Date Street
Project City, County, Zip Code:	Indio, Riverside, 92201

Project Sponsor Information:	
Name:	Summer Field Community Partners, LP (JHC-Summer Field, LLC; and WNC-Summer Field GP, LLC)
Principals:	Marcy V. Finamore for JHC-Summer Field, LLC; and Anand Kannan and Wilfred N. Cooper, Jr. for WNC-Summer Field GP, LLC
Property Management Company:	FPI Management, Inc.

Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Jones Lang LaSalle Multifamily, LLC
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
TEFRA Noticing Date:	January 4, 2017
TEFRA Adoption Date:	January 18, 2017

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	268
Manager's Units:	2 Unrestricted
Type:	Acquisition and Rehabilitation
Population Served:	Family

Summer Field Apartments is an existing scattered site project located in Indio on two sites totaling 18.44 acres. The project consists of 266 rental units and 2 unrestricted managers' units. The project has 32 one-bedroom units, 91 two-bedroom units, 95 three-bedroom units, 32 four-bedroom units and 16 five-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of roof replacement, repainting, fence repair, playground improvement and replacing or repairing building systems as necessary. Interior renovations will include countertop replacement, new flooring, new windows and replacement of appliances including refrigerators, ranges, range hoods and dishwashers. Lastly, common area renovations will consist of ADA updates and parking lot deferred maintenance. The rehabilitation is expected to begin in April 2017 and to be completed in December 2017.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 99%
31% (83 units) restricted to 50% or less of area median income households.
68% (183 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, 4 & 5 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:	\$ 72,386,416	
Estimated Hard Costs per Unit:	\$ 39,869	(\$10,605,207 /266 units)
Estimated per Unit Cost:	\$ 270,099	(\$72,386,416 /268 units including mgr. units)
Allocation per Unit:	\$ 157,895	(\$42,000,000 /266 units)
Allocation per Restricted Rental Unit:	\$ 157,895	(\$42,000,000 /266 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 42,000,000	\$ 42,000,000
Net Income from Operations	\$ 1,540,027	\$ 1,540,027
LIH Tax Credit Equity	\$ 17,716,565	\$ 21,286,298
Developer Equity	\$ 7,597,741	\$ 0
Deferred Developer Fee	\$ 0	\$ 4,028,008
Replacement Reserves	\$ 1,185,608	\$ 1,185,608
Capitalized Interest	\$ 2,346,475	\$ 2,346,475
Total Sources	<u>\$ 72,386,416</u>	<u>\$ 72,386,416</u>

Uses of Funds:	
Land Cost/Acquisition	\$ 36,000,000
Rehabilitation	\$ 11,680,073
Relocation	\$ 570,000
Contractor Overhead & Profit	\$ 699,840
Architectural Fees	\$ 65,000
Survey and Engineering	\$ 150,000
Construction Interest and Fees	\$ 8,848,412
Legal Fees	\$ 200,000
Reserves	\$ 4,616,084
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 1,244,542
Other Project Costs (Soft Costs, Marketing)	\$ 707,224
Developer Costs	<u>\$ 7,597,741</u>
Total Uses	<u>\$ 72,386,416</u>

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:

69.47 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$42,000,000 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	Points Scored
Preservation Project	20	20	20
Exceeding Minimum Income Restrictions:	35	15	35
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	4.47
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	0
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	110	69.47

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.