

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: Louise Eller

Applicant:	California Public Finance Authority
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Allocation Amount Requested:	
Tax-exempt:	\$49,880,585

Project Information:	
Name:	Ageno Apartments aka Brisa Apartments
Project Address:	S. Vasco Road and Brisa Street
Project City, County, Zip Code:	Livermore, Alameda, 94550

Project Sponsor Information:	
Name:	To be formed, Limited Partnership (SNFJE Partnership 1, LLC and Pacific Housing, Inc.)
Principals:	Jonathan Emami for SNFJE Partnership 1, LLC and Mark Wiese and Mat Eland for Pacific Housing, Inc.
Property Management Company:	FPI Management Inc.

Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Citibank, N.A./JEMCOR Development Partners, LLC
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
TEFRA Noticing Date:	August 26, 2016
TEFRA Adoption Date:	September 12, 2016

Description of Proposed Project:	
State Ceiling Pool:	Mixed
Total Number of Units:	171
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Family

Ageno Apartments aka Brisa Apartments is a new construction project located in Livermore on a 4.97 acre site. The project consists of 169 rental units and 2 unrestricted managers' units. The project will have 105 one-bedroom units, 43 two-bedroom units and 21 three-bedroom units. It will consist of four buildings. Common amenities include a clubhouse, swimming pool, covered and uncovered parking, green space and outdoor BBQ areas. Each unit will have Energy Star appliances, low flow faucets and toilets, walk-in closets, storage closets, balconies, assigned parking and air conditioning. There will be 120 carports and 44 surface parking spaces available. In addition, attached garage spaces will be available for a fee. The construction is expected to begin the first quarter of 2017 and completed in late 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 20%
20% (34 units) restricted to 50% 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:	\$ 62,679,009	
Estimated Hard Costs per Unit:	\$ 165,340	(\$27,942,385 /169 units)
Estimated per Unit Cost:	\$ 366,544	(\$62,679,009 /171 units including mgr. units)
Allocation per Unit:	\$ 295,151	(\$49,880,585 /169 units)
Allocation per Restricted Rental Unit:	\$ 1,467,076	(\$49,880,585 /34 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 45,180,000	\$ 45,180,000
Tranche B Financing	\$ 4,700,585	\$ 4,700,585
LIH Tax Credit Equity	\$ 1,860,112	\$ 5,310,848
Deferred Developer Fee	\$ 7,771,401	\$ 5,271,401
Deferred Reserve Funding	\$ 950,736	\$ 0
Net Income from Operations	\$ 2,216,175	\$ 2,216,175
Total Sources	\$ 62,679,009	\$ 62,679,009

Uses of Funds:	
Land Cost/Acquisition	\$ 1,000,000
New Construction	\$ 30,881,371
Contractor Overhead & Profit	\$ 1,831,486
Architectural Fees	\$ 460,000
Survey and Engineering	\$ 792,750
Construction Interest and Fees	\$ 3,940,523
Permanent Financing	\$ 10,000
Legal Fees	\$ 195,000
Reserves	\$ 950,736
Hard Cost Contingency	\$ 1,617,813
Local Development Impact Fees	\$ 11,970,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,257,930
Developer Costs	\$ 7,771,401
Total Uses	\$ 62,679,009

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:

31 out of 120

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$49,880,585 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	0
Exceeding Minimum Income Restrictions:	35	15	6
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	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
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	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	31

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.