

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 17, 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

Allocation Amount Requested:

Tax-exempt: \$3,823,747

The amount of allocation requested is supplemental to the \$5,676,253 of allocation the Project received on May 20, 2015.

Project Information:

Name: Sierra Village Apartments (formerly Dinuba Village)
(supplemental)
Project Address: 1375 N. Crawford Avenue
Project City, County, Zip Code: Dinuba, Tulare, 93618

Project Sponsor Information:

Name: Sierra Village L.P. (Sierra Village GP LLC)
Principals: Thomas J. Collishaw
Property Management Company: AWI Management Corporation

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Wells Fargo Bank, N.A. (construction)
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: March 17, 2017
TEFRA Adoption Date: March 28, 2017

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 44
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Sierra Village Apartments is a new construction project located in Dinuba on a 5.36-acre site. The project consists of 43 rental units and 1 unrestricted manager's unit. The project will consist of 11 single-story buildings and will provide 22 two-bedroom units and 22 three-bedroom units. Common amenities include a computer lab, laundry facilities, management offices and a community room equipped with full kitchen and restrooms. Each unit will offer high speed Internet access, washer and dryer hookups, garbage disposal, and Energy Star appliances that include refrigerator, stove and dishwasher. Construction is expected to begin in June 2017 and to be completed in June 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
79% (34 units) restricted to 50% or less of area median income households.
21% (9 units) restricted to 60% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

The proposed project will be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 16,018,066	
Estimated Hard Costs per Unit:	\$ 202,626	(\$8,915,553 /44 units including mgr. units)
Estimated per Unit Cost:	\$ 364,047	(\$16,018,066 /44 units including mgr. units)
Aggregate Allocation per Unit:	\$ 215,909	(\$9,500,000 /44 units including mgr. units)
Aggregate Allocation per Restricted Rental	\$ 220,930	(\$9,500,000 /43 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 9,500,000	\$ 0
CA Energy Commission Incentive	\$ 0	\$ 179,831
LIH Tax Credit Equity	\$ 305,708	\$ 6,474,146
LP Equity	\$ 0	\$ 100
Deferred Developer Fee	\$ 0	\$ 317,000
Deferred Interest	\$ 35,807	\$ 59,144
AHSC	\$ 0	\$ 4,096,731
HOME Funds	\$ 4,411,114	\$ 4,411,114
Sponsor Loan	\$ 480,000	\$ 480,000
Total Sources	\$ 14,732,629	\$ 16,018,066

Uses of Funds:	
Land Cost/Acquisition	\$ 897,500
New Construction	\$ 9,768,257
Contractor Overhead & Profit	\$ 449,265
Architectural Fees	\$ 700,000
Construction Interest and Fees	\$ 653,434
Permanent Financing	\$ 10,000
Legal Fees	\$ 5,000
Reserves	\$ 132,000
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 644,793
Local Development Impact Fees	\$ 1,299,879
Other Project Soft Costs	\$ 247,938
Developer Costs	\$ 1,200,000
Total Uses	\$ 16,018,066

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:

N/A

DELETE THIS LINE FOR SUPPLEMENTAL APPLIC.

Recommendation:

Staff recommends that the Committee approves \$3,823,747 in tax exempt bond allocation on a carryforward basis.