

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: \$33,930,907

Project Information:
Name: Sun Ridge Apartments
Project Address: 1265 & 1271 Monument Boulevard
Project City, County, Zip Code: Concord, Contra Costa, 94520

Project Sponsor Information:
Name: Monument Boulevard Housing Associates, LP (Concord Victory Lane, LLC)
Principals: Susan M. Reynolds and Anne B. Wilson
Property Management Company: ConAm Management Corporation

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Jones Lang LaSalle Capital Markets/Concord Sun Ridge, LLC
Cash Flow Permanent Bond: Concord Sun Ridge, LLC
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: October 14, 2016
TEFRA Adoption Date: November 1, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 198
Manager's Units: 2 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Sun Ridge Apartments is an existing project located in Concord on a 5.74-acre site. The project consists of 196 rental units and 2 unrestricted managers' units. The project will provide 84 one-bedroom units, 100 two-bedroom units and 14 three-bedroom units. Building exterior renovations will consist of window replacement, roof replacement, siding and stucco repair and a fresh coat of paint. Interior renovations will include remodel of the community room, the manager's office and laundry facility. Individual apartment units will be updated by replacement of flooring, kitchen appliances, kitchen and bathroom cabinets, kitchen and bathroom countertops, plumbing fixtures, water heaters, doors, window coverings, AC/heating units, ceiling fans, new paint and ADA updates. Lastly, common or site area renovations will consist of new solar/thermal panels, deck and fence repairs, retaining wall replacement, concrete repairs, parking lot asphalt resealing and restriping, new carport screens, new mail boxes and signage, and drainage and landscape upgrades. The rehabilitation is expected to begin in September 2017 and to be completed in August 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (20 units) restricted to 50% or less of area median income households.
89% (176 units) restricted to 60% 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:	\$ 57,413,952	
Estimated Hard Costs per Unit:	\$ 46,258	(\$9,159,160 /198 units including mgr. units)
Estimated per Unit Cost:	\$ 289,969	(\$57,413,952 /198 units including mgr. units)
Allocation per Unit:	\$ 171,368	(\$33,930,907 /198 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 173,117	(\$33,930,907 /196 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 24,013,000	\$ 24,013,000
Cash Flow Permanent Bonds	\$ 9,917,907	\$ 9,917,907
LIH Tax Credit Equity	\$ 14,882,830	\$ 17,945,567
General Partner Equity	\$ 67,750	\$ 65,750
Deferred Developer Fee	\$ 3,027,608	\$ 3,029,608
Deferred Costs	\$ 3,062,737	\$ 0
Net Income From Operations	\$ 1,724,855	\$ 1,724,855
General Partner Loan	\$ 717,265	\$ 717,265
Total Sources	\$ 57,413,952	\$ 57,413,952

Uses of Funds:	
Land Cost/Acquisition	\$ 33,710,000
Rehabilitation	\$ 10,396,348
Relocation	\$ 659,600
Contractor Overhead & Profit	\$ 506,662
Architectural Fees	\$ 563,813
Survey and Engineering	\$ 22,000
Construction Interest and Fees	\$ 2,392,092
Permanent Financing	\$ 115,000
Legal Fees	\$ 120,000
Reserves	\$ 521,619
Appraisal	\$ 6,000
Hard Cost Contingency	\$ 1,074,630
Local Development Impact Fees	\$ 46,123
Other Project Soft Costs	\$ 731,665
Developer Costs	\$ 6,548,400
Total Uses	\$ 57,413,952

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:

50 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$33,930,907 in tax exempt bond allocation on a carryforward basis.

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	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	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
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	120	50

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.