

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: Sarah Lester

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$11,500,000

Project Information:
Name: Mission Court Senior Apartments
Project Address: 47003 Mission Falls Court
Project City, County, Zip Code: Fremont, Alameda, 94539

Project Sponsor Information:
Name: To be formed, Limited Partnership (To be formed, Limited Liability Company (Eden Housing Investments, Inc. - sole member))
Principals: Linda Mandolini, Jim Kennedy, Jan Peters and Kathleen Hamm
Property Management Company: Eden Housing Management, Inc.

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: JPMorgan Chase Bank, N.A.
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: April 4, 2017
TEFRA Adoption Date: April 18, 2017

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 44
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Senior Citizens

Mission Court Senior Apartments is a new construction project located in Fremont on a 2.25-acre site. The project consists of 43 rental units and 1 unrestricted manager unit. The project will have 36 one-bedroom units and 7 two-bedroom units. The building will be three stories on the north side and four-stories on the south side. The first two floors will be owned by the 9% project and the third and fourth floors will be owned by the 4% project, which is the subject property. The project will consist of Type-V wood frame construction, with a slab-on-grade concrete foundation with a modern architectural style. Common amenities include a courtyard, reading lounge, community room, computer room, management and service coordinator offices and a elevator lobby. Each unit will have a refrigerator, range/oven and dishwasher. There will be 88 surface parking spaces provided. The project will be pursuing GreenPoint Rated certification through Build it Green. Green features include photovoltaic panels to offset common hot water and energy loads, drought resistant landscaping reducing the water needed for irrigation, smart timers irrigation systems, Biowales to enhance natural drainage of water on-site, low VOC paints, high efficiency light fixtures, Energy Star appliances and low flow toilets and showerheads. The construction is expected to be completed in 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (43 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 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:	\$ 21,668,602	
Estimated Hard Costs per Unit:	\$ 224,943	(\$9,897,485 /44 units including mgr. units)
Estimated per Unit Cost:	\$ 492,468	(\$21,668,602 /44 units including mgr. units)
Allocation per Unit:	\$ 261,364	(\$11,500,000 /44 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 267,442	(\$11,500,000 /43 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,500,000	\$ 4,654,000
LIH Tax Credit Equity	\$ 719,074	\$ 7,134,617
GP Equity	\$ 0	\$ 100
Sponsor Loan	\$ 0	\$ 1,363,207
City of Fremont	\$ 3,773,986	\$ 4,985,448
Inclusionary Land Contrib.	\$ 3,011,230	\$ 3,011,230
City of Fremont - HOME	\$ 0	\$ 520,000
Total Sources	\$ 19,004,290	\$ 21,668,602

Uses of Funds:	
Land Cost/Acquisition	\$ 3,134,042
New Construction	\$ 10,254,602
Contractor Overhead & Profit	\$ 524,194
Architectural Fees	\$ 545,146
Survey and Engineering	\$ 284,909
Construction Interest and Fees	\$ 1,519,873
Permanent Financing	\$ 233,333
Legal Fees	\$ 50,000
Reserves	\$ 508,808
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 913,544
Local Development Impact Fees	\$ 773,077
Other Project Costs	\$ 653,867
Developer Costs	\$ 2,263,207
Total Uses	\$ 21,668,602

Analyst Comments:

This project is a hybrid 4% and 9% deal. It consists of an aggregate total of 90 units. It represents the inclusionary component of a master-planned community which will include approximately 500 units of senior residential housing.

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:

89 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$11,500,000 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	0
Exceeding Minimum Income Restrictions:	35	15	35
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	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	9
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	89

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.