

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: Richard Fischer

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	
Tax-exempt:	\$7,000,000

Project Information:	
Name:	Los Robles Terrace Apartments
Project Address:	2940 Spring Street
Project City, County, Zip Code:	Paso Robles, San Luis Obispo, 93446

Project Sponsor Information:	
Name:	Los Robles Terrace, L.P. (People's Self -Help Housing Corporation)
Principals:	John Fowler, Monica Demalleville, Kenneth Trigueiro and Griffin Moore for People's Self -Help Housing Corporation
Property Management Company:	The Duncan Group

Project Financing Information:	
Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	Wells Fargo Bank, N.A., (construction)/California Community Reinvestment Corporation (permanent)
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	Not Applicable
TEFRA Noticing Date:	February 26, 2017
TEFRA Adoption Date:	March 16, 2017

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	40
Manager's Units:	1 Unrestricted
Type:	Acquisition and Rehabilitation
Population Served:	Senior Citizens

Los Robles Terrace Apartments is an existing project located in Paso Robles on a 1.08-acre site. The project consists of 39 rental units and 1 unrestricted manager's unit. The project has 10 studio units, and 29 one-bedroom units. The proposed rehabilitation will include the installation of photovoltaic solar panels, conversion of six units to ADA mobility units bringing the property up to the 25% minimum for TCAC senior projects, security system upgrades, and unit and major community space renovations including an extension of the building to make room for an expanded community room, a TV room, a larger kitchen and storage space for maintenance. The existing 28,173 square foot layout will be increased to 30,093 square feet during the renovations. An accessible path will be carved out to a gazebo area in the landscape design. Community gardens will also be installed. The rehabilitation is expected to begin in July 2017 and completed in July 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (39 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

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:	\$ 11,849,252	
Estimated Hard Costs per Unit:	\$ 76,691	(\$3,067,620 /40 units including mgr. units)
Estimated per Unit Cost:	\$ 296,231	(\$11,849,252 /40 units including mgr. units)
Allocation per Unit:	\$ 175,000	(\$7,000,000 /40 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 179,487	(\$7,000,000 /39 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,000,000	\$ 3,190,200
LIH Tax Credit Equity	\$ 335,372	\$ 4,325,812
Developer Equity	\$ 0	\$ 219,837
Deferred Developer Fee	\$ 741,513	\$ 693,733
Deferred Costs	\$ 83,368	\$ 80,502
Seller Carryback Loan	\$ 2,270,771	\$ 2,895,771
County HOME Loan	\$ 100,000	\$ 193,397
Transferred Reserves	\$ 35,000	\$ 250,000
Total Sources	\$ 10,566,024	\$ 11,849,252

Uses of Funds:	
Land Cost/Acquisition	\$ 4,190,000
Rehabilitation	\$ 3,236,950
Relocation	\$ 815,470
Contractor Overhead & Profit	\$ 453,100
Architectural Fees	\$ 85,000
Survey and Engineering	\$ 60,000
Construction Interest and Fees	\$ 230,286
Permanent Financing	\$ 12,350
Legal Fees	\$ 157,500
Reserves	\$ 290,000
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 369,005
Local Development Impact Fees	\$ 15,805
Other Project Costs (Soft Costs, etc.)	\$ 583,048
Developer Costs	\$ 1,335,738
Total Uses	\$ 11,849,252

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:

85.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$7,000,000 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	0
Leveraging	10	10	1
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	2
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	85.5

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.