

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 19, 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

Allocation Amount Requested:

Tax-exempt: \$355,000

The amount of allocation requested is supplemental to the \$3,645,000 of allocation the Project received on October 19, 2016.

Project Information:

Name: Owendale Mutual Housing Community Apartments
(Supplemental)
Project Address: 3023 Albany Avenue
Project City, County, Zip Code: Davis, Yolo, 95618

Project Sponsor Information:

Name: Owendale Mutual Housing Associates, L.P. (Owendale
Mutual Housing Association, LLC)
Principals: Rachel Iskow for Owendale Mutual Housing Association,
LLC
Property Management Company: Mutual Housing Management

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: BBVA Compass (construction only)
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: August 12, 2016
TEFRA Adoption Date: August 30, 2016

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 45
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Owendale Mutual Housing Community Apartments is an existing project located in Davis on a 2.3-acre site. The project consists of 44 restricted rental units and 1 unrestricted managers' unit. The project has 15 one-bedroom units, 15 two-bedroom units and 15 three-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Individual apartment units will be updated with new appliances, fixtures, paint and electrical updates. The rehabilitation is expected to begin in August 2017 and completed in August 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

82% (36 units) restricted to 50% or less of area median income households.

18% (8 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:	\$ 10,306,366	
Estimated Hard Costs per Unit:	\$ 51,563	(\$2,320,334 /45 units including mgr. units)
Estimated per Unit Cost:	\$ 229,030	(\$10,306,366 /45 units including mgr. units)
Allocation per Unit:	\$ 88,889	(\$4,000,000 /45 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 90,909	(\$4,000,000 /44 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,000,000	\$ 0
Assumed Debt	\$ 5,209,388	\$ 0
Deferred Dev. Fee	\$ 0	\$ 229,109
LIH Tax Credit Equity	\$ 50,000	\$ 2,083,341
Assumed City Loans	\$ 0	\$ 3,891,011
New City Loan	\$ 0	\$ 21,897
Assumed MHP Loan	\$ 0	\$ 1,326,708
New MHP Loan	\$ 0	\$ 1,970,000
First Bank of Dixon AHP	\$ 0	\$ 250,000
Developer Loan	\$ 0	\$ 200,000
Contributed Reserves	\$ 0	\$ 334,300
Total Sources	\$ 9,259,388	\$ 10,306,366

Uses of Funds:	
Land Cost/Acquisition	\$ 5,467,719
Rehabilitation	\$ 2,320,333
Relocation	\$ 275,000
Contractor Overhead & Profit	\$ 181,151
Architectural Fees	\$ 37,740
Construction Interest and Fees	\$ 212,374
Permanent Financing	\$ 50,600
Legal Fees	\$ 70,000
Reserves	\$ 369,552
Hard Cost Contingency	\$ 161,680
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 168,030
Developer Costs	\$ 992,187
Total Uses	\$ 10,306,366

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.

Recommendation:

Staff recommends that the Committee approves \$355,000 in tax exempt bond allocation on a carryforward basis.