

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 13, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant:	California Statewide Communities Development Authority
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Allocation Amount Requested:

Tax-exempt: \$17,487,476

Project Information:

Name:	Hunter Street Apartments
Project Address:	804 North Harbor Street & 226 East Poplar Street
Project City, County, Zip Code:	Stockton, San Joaquin, 95202

Project Sponsor Information:

Name:	Vision 17, L.P. (Vision 17 GP LLC)
Principals:	Carol J. Ornelas for Vision 17 GP LLC
Property Management Company:	Visionary Home Builders of California dba Visionary Property

Project Financing Information:

Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Citibank, 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:	January 20, 2017
TEFRA Adoption Date:	February 21, 2017

Description of Proposed Project:

State Ceiling Pool:	General
Total Number of Units:	74
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Family

Hunter Street Apartments is a new construction project located in Stockton on a 1.81 -acre site. The project consists of 72 restricted rental units and 2 unrestricted managers' units. The project will have 6 studio units, 21 one-bedroom units, 23 two- bedroom units and 24 three-bedroom units. The buildings will be 2 and 3 stories and type V-N wood frame construction. Common amenities include community center, laundry facilities, management offices, playground and basketball court. Each unit will have large kitchens with larger units having separate dining and family rooms. There are 82 parking spaces provided. The construction is expected to begin June 2018 and be completed in June 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

49% (35 units) restricted to 50% or less of area median income households.

51% (37 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:	\$	22,790,247	
Estimated Hard Costs per Unit:	\$	155,162	(\$11,482,000 /74 units including mgr. units)
Estimated per Unit Cost:	\$	307,976	(\$22,790,247 /74 units including mgr. units)
Allocation per Unit:	\$	236,317	(\$17,487,476 /74 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	242,882	(\$17,487,476 /72 restricted units)

Sources of Funds:

	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 17,487,476	\$ 1,730,713
LIH Tax Credit Equity	\$ 2,489,078	\$ 8,296,926
Deferred Developer Fee	\$ 503,996	\$ 1,821,238
Deferred Reserves	\$ 309,697	\$ 0
City of Stockton	\$ 2,000,000	\$ 2,000,000
AHSC Loan	\$ 0	\$ 8,228,370
AHSC Grant	\$ 0	\$ 713,000
Total Sources	\$ 22,790,247	\$ 22,790,247

Uses of Funds:

Land Cost/Acquisition	\$	2,172,924	
New Construction	\$	12,674,790	
Contractor Overhead & Profit	\$	746,950	
Architectural Fees	\$	510,000	
Survey and Engineering	\$	135,000	
Construction Interest and Fees	\$	854,150	
Permanent Financing	\$	117,500	
Legal Fees	\$	150,000	
Reserves	\$	309,697	
Appraisal	\$	12,000	
Hard Cost Contingency	\$	1,050,000	
Local Development Impact Fees	\$	551,041	
Other Project Costs (Soft Costs, Marketing, etc.)	\$	727,004	
Developer Costs	\$	2,779,191	
Total Uses	\$	22,790,247	

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:

75.9 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$17,487,476 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 Projects	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]	3.4
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
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	75.9