

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Public Finance Authority

Allocation Amount Requested: Tax-exempt: \$11,900,000

Project Information: Name: The Greenery Apartments
Project Address: 505 West Cross Street
Project City, County, Zip Code: Woodland, Yolo, 95695

Project Sponsor Information: Name: Reliant-Valley, LP (RHAC - Valley, LLC and Gung Ho-Valley, LLC)
Principals: Flynnann Janisse for RHAC - Valley, LLC ; Joseph L. Sherman and J. Caskie Collet for Gung Ho-Valley, LLC
Property Management Company: FPI Management, Inc.

Project Financing Information: Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A./Reliant CAP VIII, LLC, a California limited
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: December 29, 2017
TEFRA Adoption Date: January 16, 2018

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 95
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

The Greenery Apartments is an existing project located in Woodland on a 4.36-acre site. The project consists of 94 restricted rental units and 1 unrestricted manager unit. The project has 45 one-bedroom units and 50 two-bedroom units. The renovations will include building exterior/interior upgrades. Building exterior renovations will consist of roof replacement, window replacement, parking lot reseal, updating landscaping to drought tolerance standards, new playground and community garden, new solar panels for common areas, new signage and a fresh coat of paint. Interior renovations will include laundry room, leasing office and community room upgrades. Individual apartment units will be updated with a new appliance package, countertops, cabinets, fixtures, low flow water fixtures, paint and electrical updates. The rehabilitation is expected to begin in May 2018 and completed in December 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (94 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:	\$ 18,650,890	
Estimated Hard Costs per Unit:	\$ 37,960	(\$3,606,190 /95 units including mgr. units)
Estimated per Unit Cost:	\$ 196,325	(\$18,650,890 /95 units including mgr. units)
Allocation per Unit:	\$ 125,263	(\$11,900,000 /95 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 126,596	(\$11,900,000 /94 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 10,400,000	\$ 10,400,000
Cash Flow Permanent Bonds	\$ 1,500,000	\$ 1,500,000
LIH Tax Credit Equity	\$ 3,635,814	\$ 5,194,020
Deferred Developer Fee	\$ 0	\$ 762,071
Net Income From Operations	\$ 0	\$ 753,725
Seller Credit	\$ 0	\$ 41,074
Total Sources	\$ 15,535,814	\$ 18,650,890

Uses of Funds:	
Land Cost/Acquisition	\$ 10,050,000
Rehabilitation	\$ 3,864,032
Relocation	\$ 61,188
Contractor Overhead & Profit	\$ 288,495
Architectural Fees	\$ 125,000
Survey and Engineering	\$ 7,000
Construction Interest and Fees	\$ 814,307
Permanent Financing	\$ 130,036
Legal Fees	\$ 41,300
Reserves	\$ 337,790
Appraisal	\$ 19,800
Hard Cost Contingency	\$ 454,921
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 330,073
Developer Costs	\$ 2,126,948
Total Uses	\$ 18,650,890

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:

72.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$11,900,000 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 Projects	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
Large Family Units	5	5	0
Leveraging	10	10	0
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	110	72.5