

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 16, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Sarah Lester

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$18,000,000

Project Information:
Name: Creekside Apartments
Project Address: 2990 Fith Street
Project City, County, Zip Code: Davis, Yolo, 95618

Project Sponsor Information:
Name: Creekside Davis LP (Neighborhood Partners, LLC; Davis Community Meals and JSCo Creekside LLC)
Principals: Luke Watkins and David J. Thompson for Neighborhood Partners, LLC; William D. Pride, Cathy Rowan, Reynaldo Carboni, Julia Logan and Deanne Machado for Davis Community Meals; John K. Stewart, Jack D. Gardner, Mary Tustin, Daniel Levine, Noah G. Schwartz and Sonya Rosenbach for JSCo Creekside LLC
Property Management Company: James Stewart Company

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Wells Fargo Bank, N.A. (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: March 9, 2018
TEFRA Adoption Date: April 9, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 90
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family/Special Needs

Creekside Apartments is a new construction project located in Davis on a 2.27-acre site. The project consists of 89 restricted rental units and 1 unrestricted manager unit. The project will have 81 one-bedroom units and 9 two-bedroom units. There will be 4 four-story buildings, 1 three-story building, 1 two-story building and a two-story community building. Construction will be wood frame with a combination of stucco and wood siding. Common amenities include large meeting room and kitchen, computer area, two managers offices and a maintenance room all located within the community building. There will be three elevators in the project, one laundry room and an outdoor patio area on the ground floor. There will be 50 parking spaces for the 90 residential units. The construction is expected to begin in September 2018 and be completed in September 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

65% (58 units) restricted to 50% or less of area median income households.

35% (31 units) restricted to 60% or less of area median income households.

Unit Mix: 1 & 2 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 28,325,000	
Estimated Hard Costs per Unit:	\$ 162,552	(\$14,629,724 /90 units including mgr. units)
Estimated per Unit Cost:	\$ 314,722	(\$28,325,000 /90 units including mgr. units)
Allocation per Unit:	\$ 200,000	(\$18,000,000 /90 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 202,247	(\$18,000,000 /89 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 18,000,000	\$ 0
LIH Tax Credit Equity	\$ 3,291,569	\$ 9,893,945
Deferred Developer Fee	\$ 0	\$ 1,134,307
Deferred Costs	\$ 3,040,855	\$ 0
CalHFA Amortized Loan	\$ 0	\$ 2,400,000
HCD AHSC Housing Loan	\$ 0	\$ 10,904,172
HCD AHSC Infrac. Grants	\$ 912,576	\$ 912,576
CalHFA Subsidy Loan	\$ 1,100,000	\$ 1,100,000
Land Donation from City of Davis	\$ 1,980,000	\$ 1,980,000
Total Sources	\$ 28,325,000	\$ 28,325,000

Uses of Funds:	
Land Cost/Acquisition	\$ 1,980,000
New Construction	\$ 15,894,209
Contractor Overhead & Profit	\$ 733,935
Architectural Fees	\$ 450,000
Survey and Engineering	\$ 294,000
Construction Interest and Fees	\$ 1,510,131
Permanent Financing	\$ 90,000
Legal Fees	\$ 205,000
Reserves	\$ 369,940
Appraisal	\$ 14,000
Hard Cost Contingency	\$ 1,170,052
Local Development Impact Fees	\$ 1,658,436
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 705,297
Developer Costs	\$ 3,250,000
Total Uses	\$ 28,325,000

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 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$18,000,000 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 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]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	85