

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: Richard Fischer

Applicant: California Public Finance Authority

Allocation Amount Requested: Tax-exempt: \$6,574,162

Project Information: Name: Coronado Scattered Sites Apartments
Project Address: 406-430,445-451 Orange Ave.; 560-566, 840 G Avenue
Project City, County, Zip Code: Coronado, San Diego, 92118

Project Sponsor Information: Name: San Diego Interfaith Housing Foundation (Coronado Interfaith Housing Corporation)
Principals: Matthew Jumper for the Coronado Interfaith Housing Corporation
Property Management Company: Interfaith Housing Assistance Corporation

Project Financing Information: Bond Counsel: Orrick, Herrington & Sutcliffe LLP
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: March 14, 2018
TEFRA Adoption Date: April 3, 2018

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 35
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Coronado Scattered Sites Apartments is an existing project located in Coronado on four sites. The project consists of 34 restricted rental units and 1 unrestricted manager unit. The project has 3 one-bedroom units and 32 two-bedroom units. The renovations will include building exterior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Individual apartments are unique and will have prescribed rehabilitation for each of the four buildings. Notwithstanding, each unit will include a new appliance package, countertops, cabinets, fixtures, paint and electrical updates. The rehabilitation is expected to begin in June 2018 and be completed in July 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
53% (18 units) restricted to 50% or less of area median income households.
50% (17 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 12,952,794	
Estimated Hard Costs per Unit:	\$ 49,898	(\$1,746,414 /35 units including mgr. units)
Estimated per Unit Cost:	\$ 370,080	(\$12,952,794 /35 units including mgr. units)
Allocation per Unit:	\$ 187,833	(\$6,574,162 /35 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 193,358	(\$6,574,162 /34 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,574,162	\$ 2,580,075
LIH Tax Credit Equity	\$ 738,610	\$ 3,464,815
Developer Equity	\$ 0	\$ 1,400,000
Deferred Developer Fee	\$ 308,657	\$ 263,503
Deferred Costs	\$ 121,365	\$ 34,401
Seller Carryback Loan	\$ 5,210,000	\$ 5,210,000
Total Sources	\$ 12,952,794	\$ 12,952,794
 Uses of Funds:		
Land Cost/Acquisition	\$ 7,053,838	
Rehabilitation	\$ 2,136,468	
Relocation	\$ 391,990	
Contractor Overhead & Profit	\$ 230,562	
Architectural Fees	\$ 165,163	
Survey and Engineering	\$ 100,000	
Construction Interest and Fees	\$ 479,239	
Permanent Financing	\$ 25,801	
Legal Fees	\$ 80,000	
Reserves	\$ 86,964	
Hard Cost Contingency	\$ 315,389	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 460,997	
Developer Costs	\$ 1,426,383	
Total Uses	\$ 12,952,794	

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:

66.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$6,574,162 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	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	4
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	66.5