Agenda Item No. 8.18
Application No. 18-385

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 18, 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:	$71,500,000
Project Information:	
Name:	**Parkside at Vast Oak Apartments**
Project Address:	SE of Keiser Avenue & Snyder Lane
Project City, County, Zip Code:	Rohnert Park, Sonoma, 94928
Project Sponsor Information:	
Name:	Rohnert Park Pacific Associates, A California Limited Partners (TPC Holdings V, LLC and Pacific Housing, Inc.)
Principals:	Caleb Roope for TPC Holdings V, LLC; Mark Wiese and Mat Eland for Pacific Housing, Inc.
Property Management Company:	Aperto Property Management, Inc.
Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Citibank, N.A./Bonneville Multifamily Capital
Cash Flow Permanent Bond:	Bonneville Multifamily Capital
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	Not Applicable
TEFRA Noticing Date:	December 5, 2017
TEFRA Adoption Date:	January 8, 2018
Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	218
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Family

Parkside at Vast Oak Apartments is a new construction project located in Rohnert Park on a 9.12-acre site. The project will consist of 119 restricted rental units, 97 market rate units and 2 unrestricted manager units. The project will have 27 one-bedroom units, 141 two-bedroom units and 50 three-bedroom units. The project will consist of 9 three-story residential buildings and a one-story community building. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. Common amenities include a large community room, management office, multipurpose room, laundry facilities, common kitchen, playgrounds, covered picnic areas and a dog run. Each unit will have a refrigerator, range/oven, dishwasher, disposals, patio with storage space and exhaust fans. The construction is expected to begin August 2018 and be completed in February 2020.

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Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 55%

55% (119 units) restricted to 50% or less of area median income households.

Unit Mix: 1, 2 & 3 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:	$	93,388,567	
Estimated Hard Costs per Unit:	$	220,516	($48,072,546 /218 units including mgr. units)
Estimated per Unit Cost:	$	428,388	($93,388,567 /218 units including mgr. units)
Allocation per Unit:	$	327,982	($71,500,000 /218 units including mgr. units)
Allocation per Restricted Rental Unit:	$	600,840	($71,500,000 /119 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	54,000,000	$	27,000,000
Cash Flow Permanent Bonds	$	0	$	17,500,000
Tranche B Financing	$	17,500,000	$	0
LIH Tax Credit Equity	$	10,288,814	$	37,012,266
Master Developer - Off Site Loan	$	0	$	5,736,301
Deferred Developer Fee	$	9,800,000	$	6,140,000
Deferred Costs	$	1,799,753	$	0
Total Sources	$	93,388,567	$	93,388,567

Uses of Funds:		
Land Cost/Acquisition	$	5,736,301
New Construction	$	51,801,077
Contractor Overhead & Profit	$	4,562,991
Architectural Fees	$	700,000
Survey and Engineering	$	190,000
Construction Interest and Fees	$	5,270,500
Permanent Financing	$	615,000
Legal Fees	$	100,000
Reserves	$	1,799,753
Hard Cost Contingency	$	3,100,000
Local Development Impact Fees	$	7,994,986
Other Project Costs (Soft Costs, Marketing, etc.)	$	1,717,959
Developer Costs	$	9,800,000
Total Uses	$	93,388,567

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:

57.5 out of 140 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $71,500,000 in tax-exempt bond allocation on a carryforward basis.

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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	2.5
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**	**57.5**