

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: Ruben Barcelo

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	Tax-exempt: \$11,459,808
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Project Information:	Name: Sequoia Commons Apartments
	Project Address: Southwest corner of Riggan Avenue and Road 76
	Project City, County, Zip Code: Goshen (unincorporated), Tulare, 93277

Project Sponsor Information:	Name: To-be-formed limited partnership (To-be-formed LLC)
	Principals: Thomas J. Collishaw, Kathryn Long-Pence and Elizabeth McGovern-Garcia for a to-be-formed LLC
	Property Management Company: AWI Management Corporation

Project Financing Information:	Bond Counsel: Jones Hall, A Professional Law Corporation
	Private Placement Purchaser: Wells Fargo Bank, 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: May 18, 2018
	TEFRA Adoption Date: June 5, 2018

Description of Proposed Project:	State Ceiling Pool: Rural
	Total Number of Units: 66
	Manager's Units: 1 Unrestricted
	Type: New Construction
	Population Served: Family

Sequoia Commons Apartments is a new construction project located in Goshen on a 3.3-acre site. The project consists of 65 restricted rental units and 1 unrestricted manager unit distributed as 22 one-bedroom units, 22 two-bedroom units and 22 three-bedroom units. The project will be comprised of 11 two-story residential buildings that will contain six units each. Common amenities include a playground, barbecue/picnic area and a centrally-located community building equipped with laundry facility, kitchen, restrooms, computer lab and management office. Units will feature refrigerator, stove and dishwasher. There will be 76 parking spaces provided. Green features include solar photovoltaic power generation, Energy Star kitchen appliances, passive solar design, low water use fixtures and shade tree landscaping. Construction is expected to begin in December 2018 and be completed in December 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (65 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will provide an after-school program and instructor-led educational classes.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 20,417,564	
Estimated Hard Costs per Unit:	\$ 197,244	(\$13,018,083 /66 units including mgr. units)
Estimated per Unit Cost:	\$ 309,357	(\$20,417,564 /66 units including mgr. units)
Allocation per Unit:	\$ 173,633	(\$11,459,808 /66 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 176,305	(\$11,459,808 /65 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,459,808	\$ 0
LIH Tax Credit Equity	\$ 520,000	\$ 5,909,552
General Partner Capital Contribution	\$ 0	\$ 100
Deferred Developer Fee	\$ 0	\$ 242,000
AHSC Loan	\$ 0	\$ 8,340,236
Sponsor Loan (Self-Help Enterprises)	\$ 1,029,685	\$ 1,100,000
HOME Loan	\$ 4,433,718	\$ 4,433,718
Joaquin Valley Air Pollution Control District Loan	\$ 391,958	\$ 391,958
Total Sources	\$ 17,835,169	\$ 20,417,564

Uses of Funds:	
Land Cost/Acquisition	\$ 350,000
New Construction	\$ 14,494,443
Architectural Fees	\$ 725,000
Construction Interest and Fees	\$ 672,269
Permanent Financing	\$ 15,000
Reserves	\$ 347,175
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 708,011
Local Development Impact Fees	\$ 265,777
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 329,889
Developer Costs	\$ 2,500,000
Total Uses	\$ 20,417,564

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 \$11,459,808 in tax-exempt bond allocation on a carryforward basis.

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	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	10
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	85