

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 19, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Felicity Wood

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$20,000,000

Project Information:
Name: Judson Terrace Homes Apartments
Project Address: 3000 Augusta Street
Project City, County, Zip Code: San Luis Obispo, San Luis Obispo, 93401

Project Sponsor Information:
Name: Judson Terrace Homes Senior Housing, L.P. (Judson Terrace Homes GP, LLC)
Principals: Ancel Romero, Pam Claasen, Louise Rankin, Jacqueline Seegobin, Kendra Roberts
Property Management Company: HumanGood Affordable Housing, Inc.

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Citibank, 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: June 26, 2018
TEFRA Adoption Date: July 10, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 107
Manager's Units: 2 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Senior Citizens

Judson Terrace Homes Apartments is an existing project located in San Luis Obispo on a 2.82-acre site. The project consists of 101 restricted rental units, 4 unrestricted units and two unrestricted managers' units. The project has 70 one-bedroom units and 37 studio units. Building renovations will consist of replacing systems, upgrading finishes, limited framing repairs due to dry rot, and improvements to site drainage. The rehabilitation is expected to begin in January 2019 and be completed in January 2020. Built in 1968, the project is comprised of 11 two-story residential apartments with elevators and a shared community building. While the property has been well maintained, many of the building systems are at, or beyond, the end of their useful lives, and the property is in need of a moderate rehabilitation. Site work will include upgrading lighting with LED fixtures, removing and replacing concrete to meet ADA accessibility requirements, providing more centralized trash enclosures, replacing the asphalt shingle roof, repainting exterior buildings, and replacing all exterior doors and windows at units. Units will have kitchen cabinets replaced.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 96%

41% (43 units) restricted to 50% or less of area median income households.

55% (58 units) restricted to 60% or less of area median income households.

Unit Mix: Studio & 1 bedroom

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:	\$ 34,565,412	
Estimated Hard Costs per Unit:	\$ 54,657	(\$5,848,249 /107 units including mgr. units)
Estimated per Unit Cost:	\$ 323,041	(\$34,565,412 /107 units including mgr. units)
Allocation per Unit:	\$ 186,916	(\$20,000,000 /107 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 198,020	(\$20,000,000 /101 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 20,000,000	\$ 5,921,800
LIH Tax Credit Equity	\$ 866,432	\$ 8,519,323
Developer Equity	\$ 327,298	\$ 327,298
Reserves and Deferred Developer Fee	\$ 2,948,071	\$ 1,373,381
Deferred Costs	\$ 294,244	\$ 294,243
Seller Carryback Loan	\$ 9,615,775	\$ 9,615,775
Net Income From Operations	\$ 513,592	\$ 513,592
HGAH, Sponsor Loan, RR	\$ 0	\$ 8,000,000
Total Sources	\$ 34,565,412	\$ 34,565,412

Uses of Funds:	
Land Cost/Acquisition	\$ 18,000,000
Rehabilitation	\$ 6,775,486
Relocation	\$ 684,857
Contractor Overhead & Profit	\$ 467,860
Architectural Fees	\$ 323,410
Construction Interest and Fees	\$ 1,997,711
Permanent Financing	\$ 79,218
Legal Fees	\$ 10,000
Reserves	\$ 604,847
Contingency	\$ 1,016,408
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 699,871
Developer Costs	\$ 3,905,744
Total Uses	\$ 34,565,412

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:

67.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$20,000,000 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	20.00
Exceeding Minimum Income Restrictions:	35	15	35.00
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0.00
Large Family Units	5	5	0.00
Leveraging	10	10	0.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	2.50
Service Amenities	10	10	0.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	0.00
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	0.00
Total Points	140	110	67.50