

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: Ruben Barcelo

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$3,690,016

Project Information:
Name: Vista Las Flores Apartments
Project Address: 6408 Halyard Place
Project City, County, Zip Code: Carlsbad, San Diego, 92011

Project Sponsor Information:
Name: Vista Las Flores, L.P. (Wakeland Vista Las Flores, LLC; and VLF Interfaith Housing Corporation)
Principals: Kenneth L. Sauder for Wakeland Vista Las Flores, LLC; and Matthew B. Jumper for VLF Interfaith Housing Corporation
Property Management Company: Interfaith Housing Assistance Corporation

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Banner Bank
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 27, 2018
TEFRA Adoption Date: July 24, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 28
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Vista Las Flores Apartments is an existing project located in Carlsbad on a two-acre site. The project consists of 27 restricted rental units and 1 unrestricted manager unit distributed as 16 two-bedroom units and 12 three-bedroom units. Building exterior renovations will include stucco repairs, fresh paint, roof replacement, re-routing of selected gas piping, pest treatment and installation of a photo-voltaic electrical system. Interior renovations include new furniture for the community room. Individual apartment unit upgrades will include replacement of kitchen appliances, cabinet faces and countertops, drywall repair, fresh paint, new flooring, recessed lighting, resurfaced tubs, and replacement of vanities and plumbing fixtures. One unit will be upgraded for ADA accessibility requirements. Site area renovations will include fence repair, landscape and drainage upgrades, lighting repair, concrete work, pavement repair and re-striping, upgrade to the playground and new signage. The work is scheduled to begin in November 2018 and be completed in April 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

63% (17 units) restricted to 50% or less of area median income households.

37% (10 units) restricted to 60% or less of area median income households.

Unit Mix: 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:	\$ 7,186,656	
Estimated Hard Costs per Unit:	\$ 43,496	(\$1,217,895 /28 units including mgr. units)
Estimated per Unit Cost:	\$ 256,666	(\$7,186,656 /28 units including mgr. units)
Allocation per Unit:	\$ 131,786	(\$3,690,016 /28 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 136,667	(\$3,690,016 /27 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 3,690,016	\$ 1,931,063
LIH Tax Credit Equity	\$ 278,179	\$ 1,803,547
Deferred Developer Fee	\$ 0	\$ 344,000
Deferred Costs	\$ 728,464	\$ 0
Seller Carryback Loan	\$ 300,000	\$ 918,049
City Loan Assumption	\$ 458,134	\$ 458,134
HCD HOME Assumption	\$ 326,000	\$ 326,000
Developer Loan Assumption	\$ 1,308,368	\$ 1,308,368
Transfer of Existing Reserves	\$ 97,495	\$ 97,495
Total Sources	\$ 7,186,656	\$ 7,186,656

Uses of Funds:	
Land Cost/Acquisition	\$ 3,710,000
Rehabilitation	\$ 1,311,434
Relocation	\$ 125,000
Contractor Overhead & Profit	\$ 95,334
Architectural Fees	\$ 20,000
Survey and Engineering	\$ 12,500
Construction Interest and Fees	\$ 404,671
Permanent Financing	\$ 69,734
Legal Fees	\$ 90,000
Reserves	\$ 160,399
Appraisal	\$ 4,000
Hard Cost Contingency	\$ 139,427
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 350,126
Developer Costs	\$ 694,031
Total Uses	\$ 7,186,656

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:

65 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$3,690,016 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	0
New Construction or Substantial Renovation	10	10	0
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	65