

**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*

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<b>Applicant:</b>	<b>California Public Finance Authority</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$13,900,000
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<b>Project Information:</b>	<b>Name:</b> Main Street Plaza Apartments
	<b>Project Address:</b> 134 Main Street & 304 Washington Blvd
	<b>Project City, County, Zip Code:</b> Roseville, Placer, 95678

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<b>Project Sponsor Information:</b>	<b>Name:</b> Main Street Plaza, LLC (WCH Affordable XXXIX, LLC; Main Street Plaza, LLC)
	<b>Principals:</b> John M. Huskey, Kasey Burke, George Russo, Chris Maffris, Aaron Mandel
	<b>Property Management Company:</b> John Stewart Company

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Orrick, Herrington & Sutcliffe LLP
	<b>Private Placement Purchaser:</b> Pacific Western Bank
	<b>Cash Flow Permanent Bond:</b> Not Applicable
	<b>Public Sale:</b> Not Applicable
	<b>Underwriter:</b> Not Applicable
	<b>Credit Enhancement Provider:</b> Not Applicable
	<b>Rating:</b> Not Applicable
	<b>TEFRA Noticing Date:</b> July 13, 2018
	<b>TEFRA Adoption Date:</b> August 1, 2018

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> General
	<b>Total Number of Units:</b> 44
	<b>Manager's Units:</b> 1 Unrestricted
	<b>Type:</b> New Construction
	<b>Population Served:</b> Family

Main Street Plaza Apartments is a new construction project located in Roseville. The project consists of 43 restricted rental units and one unrestricted managers' units. The project will have 21 one-bedroom units, 11 two-bedroom units and 11 three-bedroom units. The building will be four stories of Type V wood frame, including tuck under parking. Common amenities include property management office, fitness center, services offices, and community rooms. Each unit will have a standard appliance package including dishwasher and durable hard flooring. There are 49 parking spaces and 14 bicycle parking spaces provided. The project will be designed within the GreenPoint Program parameters. The construction is expected to begin in March 2019 and be completed in July 2020.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
67% (29 units) restricted to 50% or less of area median income households.  
33% (14 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

**Estimated Total Development Cost:** \$ 21,317,958  
**Estimated Hard Costs per Unit:** \$ 370,649 (\$15,937,918 /43 units including mgr. units)  
**Estimated per Unit Cost:** \$ 495,766 (\$21,317,958 /43 units including mgr. units)  
**Allocation per Unit:** \$ 323,256 (\$13,900,000 /43 units including mgr. units)  
**Allocation per Restricted Rental Unit:** \$ 323,256 (\$13,900,000 /43 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 13,900,000	\$ 3,230,021
LIH Tax Credit Equity	\$ 0	\$ 5,877,694
Developer Equity	\$ 411,439	\$ 0
Deferred Developer Fee	\$ 0	\$ 1,550,290
Deferred Costs	\$ 2,024,809	\$ 0
VHHP	\$ 0	\$ 4,418,534
HCD - IIG	\$ 0	\$ 1,259,709
FHLBSF Affordable Housing Program	\$ 740,000	\$ 740,000
MHSA	\$ 1,250,000	\$ 1,250,000
CDBG 2018	\$ 483,503	\$ 483,503
City of Roseville Land Contribution Loan	\$ 508,207	\$ 508,207
City of Roseville Residential Loan	\$ 2,000,000	\$ 2,000,000
<b>Total Sources</b>	<b>\$ 21,317,958</b>	<b>\$ 21,317,958</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,171,639
New Construction	\$ 12,531,203
Architectural Fees	\$ 548,795
Survey and Engineering	\$ 431,548
Construction Interest and Fees	\$ 1,029,563
Permanent Financing	\$ 12,989
Legal Fees	\$ 108,452
Reserves	\$ 365,504
Appraisal	\$ 5,196
Hard Cost Contingency	\$ 643,995
Local Development Impact Fees	\$ 1,121,518
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 905,111
Developer Costs	\$ 2,442,446
<b>Total Uses</b>	<b>\$ 21,317,958</b>

**Analyst Comments:**

None

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**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.

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**Total Points:**

78 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$13,900,000 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	0.00
Exceeding Minimum Income Restrictions:	35	15	16.00
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10.00
Large Family Units	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	10.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	7.00
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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>78.00</b>