

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 17, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant: Golden State Finance Authority

Allocation Amount Requested: Tax-exempt: \$8,495,000

Project Information:

Name: Placer Village Apartments
Project Address: 2789 Ray Lawyer Drive
Project City, County, Zip Code: Placerville, El Dorado, 95667

Project Sponsor Information:

Name: Placer Village Placerville AR, L.P. (TELACU Homes, Inc.; and HCHP Affordable Multi-Family, LLC)
Principals: John Clem for TELACU Homes, Inc.; and Michael A. Costa, Robert W. Tetrault and Thomas E. Erickson for HCHP Affordable Multi-Family, LLC
Property Management Company: Winn Residential California LP

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: America First Multifamily Investors, L.P.
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: August 13, 2018
TEFRA Adoption Date: August 31, 2018

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 76
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Placer Village Apartments is an existing project located in Placerville on a 6.34-acre site. The project consists of 75 restricted rental units and 1 unrestricted manager unit distributed as 36 two-bedroom units, 32 three-bedroom units and 8 four-bedroom units. Building exterior renovations will include window replacement, new A/C units, roof replacement, wood rot repair and fresh paint. Individual apartment units will be updated with mobility/communications upgrades and new hot water heaters, refrigerators and gas stoves. Common area renovations include upgrades to landscaping and irrigation. The rehabilitation is expected to begin in December 2018 and be completed in September 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

41% (31 units) restricted to 50% or less of area median income households.

59% (44 units) restricted to 60% or less of area median income households.

Unit Mix: 2, 3 & 4 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:	\$ 14,189,202	
Estimated Hard Costs per Unit:	\$ 26,086	(\$1,982,498 /76 units including mgr. units)
Estimated per Unit Cost:	\$ 186,700	(\$14,189,202 /76 units including mgr. units)
Allocation per Unit:	\$ 111,776	(\$8,495,000 /76 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 113,267	(\$8,495,000 /75 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 8,495,000	\$ 5,288,728
LIH Tax Credit Equity	\$ 134,116	\$ 3,740,702
AGP Equity Contribution	\$ 0	\$ 414,661
HCHP Deferred Developer Fee	\$ 0	\$ 952,414
Deferred Costs	\$ 1,352,728	\$ 0
Seller Carryback Loan	\$ 3,415,640	\$ 3,000,979
Net Income From Operations	\$ 791,718	\$ 791,718
Total Sources	\$ 14,189,202	\$ 14,189,202

Uses of Funds:	
Land Cost/Acquisition	\$ 8,700,000
Rehabilitation	\$ 2,101,488
Contractor Overhead & Profit	\$ 158,603
Architectural Fees	\$ 20,000
Survey and Engineering	\$ 40,000
Construction Interest and Fees	\$ 920,503
Permanent Financing	\$ 102,821
Legal Fees	\$ 142,500
Reserves	\$ 171,296
Hard Cost Contingency	\$ 115,074
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 88,716
Developer Costs	\$ 1,628,201
Total Uses	\$ 14,189,202

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:

50 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$8,495,000 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
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	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
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	50