

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 12, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Felicity Wood

Applicant:	Golden State Finance Authority
-------------------	---------------------------------------

Allocation Amount Requested:	Tax-exempt: \$22,200,000
-------------------------------------	---------------------------------

Project Information:	Name: Windsor Veterans Village Apartments
	Project Address: 9500 Oak Park Street
	Project City, County, Zip Code: Windsor, Sonoma, 95492

Project Sponsor Information:	Name: A0690 Windsor, L.P. (A0690 Windsor Holdings LLC and Windsor Veterans Village, LLC)
	Principals: Douglas R. Bigley, John F. Bigley, David H. Bigley, Jim Larson, Peter T. Cameron, Charles Helget and Michael Wells
	Property Management Company: Hyder & Company

Project Financing Information:	Bond Counsel: Kutak Rock LLP
	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: October 1, 2018
	TEFRA Adoption Date: October 16, 2018

Description of Proposed Project:	State Ceiling Pool: General
	Total Number of Units: 60
	Manager's Units: 1 Unrestricted
	Type: New Construction
	Population Served: Family

Windsor Veterans Village Apartments is a new construction project located in Windsor on a 5.75-acre site. The project consists of 59 restricted rental units and one unrestricted manager's unit. The project will have 48 one-bedroom units and 12 two-bedroom units. The buildings will be one and two stories of wood construction with composite shingle roofing. Common amenities include a full kitchen, lounge area, laundry facilities, leasing office, service provider's office, media room and computer room. Each unit will have a refrigerator, range, dishwasher, garbage disposal and wiring for cable television. There are 70 parking spaces provided. The construction is expected to begin in April 2019 and be completed in April 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (59 units) restricted to 50% or less of area median income households.
0% (0 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 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: \$ 31,278,413
Estimated Hard Costs per Unit: \$ 207,840 (\$12,470,400 /60 units including mgr. unit)
Estimated per Unit Cost: \$ 521,307 (\$31,278,413 /60 units including mgr. unit)
Allocation per Unit: \$ 370,000 (\$22,200,000 /60 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 376,271 (\$22,200,000 /59 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 22,200,000	\$ 7,632,000
LIH Tax Credit Equity	\$ 0	\$ 10,269,640
Developer Equity	\$ 3,671,237	\$ 636,773
Deferred Costs	\$ 2,567,176	\$ 0
HCD VHHP	\$ 0	\$ 9,900,000
County of Sonoma	\$ 750,000	\$ 750,000
Town of Windsor	\$ 500,000	\$ 500,000
Citibank - FHLB AHP	\$ 590,000	\$ 590,000
Home Depot Foundation - Grant	\$ 1,000,000	\$ 1,000,000
Total Sources	\$ 31,278,413	\$ 31,278,413

Uses of Funds:	
Land Cost/Acquisition	\$ 3,672,930
New Construction	\$ 16,227,244
Contractor Overhead & Profit	\$ 946,133
Architectural Fees	\$ 480,000
Survey and Engineering	\$ 252,000
Construction Interest and Fees	\$ 1,902,793
Permanent Financing	\$ 213,500
Legal Fees	\$ 125,000
Reserves	\$ 1,132,176
Appraisal	\$ 12,000
Hard Cost Contingency	\$ 900,797
Local Development Impact Fees	\$ 2,813,467
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,200,373
Developer Costs	\$ 1,400,000
Total Uses	\$ 31,278,413

Analyst Comments:

This project is considered a high cost per unit project. This Napa Valley geographic area experienced large fires within the past year that destroyed over 5,200 structures. The subordinate financing requires payment of a Davis Bacon prevailing wage which adds to the per unit construction costs in an area that already has higher costs due to its proximity to the Bay Area.

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:

75 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$22,200,000 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]	10.00
Large Family Units	5	5	0.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
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	120	75.00