

**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*

<b>Applicant:</b>	<b>Golden State Finance Authority</b>
<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$22,200,000
<b>Project Information:</b>	<b>Name:</b> Windsor Veterans Village Apartments <b>Project Address:</b> 9500 Oak Park Street <b>Project City, County, Zip Code:</b> Windsor, Sonoma, 95492
<b>Project Sponsor Information:</b>	<b>Name:</b> A0690 Windsor, L.P. (A0690 Windsor Holdings LLC and Windsor Veterans Village, LLC) <b>Principals:</b> Douglas R. Bigley, John F. Bigley, David H. Bigley, Jim Larson, Peter T. Cameron, Charles Helget and Michael Wells <b>Property Management Company:</b> Hyder & Company
<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Kutak Rock LLP <b>Private Placement Purchaser:</b> Citibank, N.A. <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> October 1, 2018 <b>TEFRA Adoption Date:</b> October 16, 2018
<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> General <b>Total Number of Units:</b> 60 <b>Manager's Units:</b> 1 Unrestricted <b>Type:</b> New Construction <b>Population Served:</b> 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:

<b>Estimated Total Development Cost:</b>	\$	31,278,413	
<b>Estimated Hard Costs per Unit:</b>	\$	207,840	(\$12,470,400 /60 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$	521,307	(\$31,278,413 /60 units including mgr. unit)
<b>Allocation per Unit:</b>	\$	370,000	(\$22,200,000 /60 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$	376,271	(\$22,200,000 /59 restricted units)

<b>Sources of Funds:</b>	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
<b>Total Sources</b>	<b>\$ 31,278,413</b>	<b>\$ 31,278,413</b>

<b>Uses of Funds:</b>	
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
<b>Total Uses</b>	<b>\$ 31,278,413</b>

---

**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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>75.00</b>