

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 16, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Chee Thao Yang

Applicant: Housing Authority of the County of Kern

Allocation Amount Requested:
Tax-exempt: \$9,400,000

Project Information:
Name: Mountain View Village Apartments
Project Address: 11316 Main Street
Project City, County, Zip Code: Lamont, Kern, 93241

Project Sponsor Information:
Name: Mountain View Village LP (GEAHI Mountain View Village LLC; Kern Housing VIII LLC)
Principals: Stephen Pelz for GEAH Mountain View Village and Kern Housing VIII LLC
Property Management Company: Housing Authority of the County of Kern

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Bank of America, 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: December 2, 2018
TEFRA Adoption Date: December 11, 2018

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 41
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Mountain View Village Apartments is a new construction project located in Lamont on a 1.86-acre site. The project consists of 40 restricted rental units and 1 unrestricted manager's unit. The project will have 41 two-bedroom units. There will be 6 residential buildings that will be one-story and two-stories with 1 one-story building designated as the community building. Common amenities include a community center, laundry facilities, office spaces, business center, clubhouse, picnic area and playground. Each unit will have central air conditioning and heating, ceiling fan, refrigerator, range/oven, dishwasher, garbage disposal and microwave. There are 57 off-street parking spaces and 33 covered parking spaces provided. The project will be pursuing the GreenPoint Rated Program. Green features include solar panels and energy efficient AC units to reduce utility costs and GHG emissions. The construction is expected to begin in June 2019 and be completed in June 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (40 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: 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: \$ 12,249,255
Estimated Hard Costs per Unit: \$ 169,466 (\$6,948,100 /41 units including mgr. unit)
Estimated per Unit Cost: \$ 298,762 (\$12,249,255 /41 units including mgr. unit)
Allocation per Unit: \$ 229,268 (\$9,400,000 /41 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 235,000 (\$9,400,000 /40 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,400,000	\$ 0
LIH Tax Credit Equity	\$ 897,433	\$ 4,487,613
Deferred Developer Fee	\$ 0	\$ 299,685
Deferred Costs	\$ 951,822	\$ 0
Solar Tax Credits	\$ 0	\$ 57,960
County HOME Loan	\$ 1,000,000	\$ 1,000,000
HCD AHSC Loan	\$ 0	\$ 6,053,997
Valley Republic Bank	\$ 0	\$ 350,000
Total Sources	\$ 12,249,255	\$ 12,249,255

Uses of Funds:	
Land Cost/Acquisition	\$ 325,000
New Construction	\$ 7,277,200
Contractor Overhead & Profit	\$ 632,800
Architectural Fees	\$ 380,000
Survey and Engineering	\$ 75,000
Construction Interest and Fees	\$ 432,755
Permanent Financing	\$ 201,500
Legal Fees	\$ 175,000
Reserves	\$ 88,312
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 395,500
Local Development Impact Fees	\$ 871,315
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 184,873
Developer Costs	\$ 1,200,000
Total Uses	\$ 12,249,255

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:

85 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$9,400,000 in tax-exempt bond allocation.

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	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
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	85