

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: Ruben Barcelo

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	
Tax-exempt:	\$33,500,000

Project Information:	
Name:	Fairfield Apartments (Parkside Villa Apartments & Rockwell Manor Apartments)
Project Address:	1650 Park Lane and 693 East Tabor Avenue
Project City, County, Zip Code:	Fairfield, Solano, 94533

Project Sponsor Information:	
Name:	Standard Fairfield Venture LP (Standard Fairfield Manager LP; and Housing on Merit X LLC)
Principals:	Jeffrey Jaeger and Scott Alter for Standard Fairfield Manager LP; and Jennifer Litwak for Housing on Merit X LLC
Property Management Company:	Apartment Management Consultants, LLC

Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Jones Lang LaSalle Multifamily, LLC
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	Not Applicable
TEFRA Noticing Date:	November 30, 2018
TEFRA Adoption Date:	December 18, 2018

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	128
Manager's Units:	2 Unrestricted
Type:	Acquisition and Rehabilitation
Population Served:	Family

Fairfield Apartments is an existing scattered site project located in Fairfield on two parcels with a combined area of 7.27 acres. The project consists of 116 restricted rental units, 10 market rate units and 2 unrestricted manager units distributed as 88 two-bedroom units and 40 three-bedroom units. Building exterior renovations will include new roof, window and sliding door replacement, new entry doors and hardware, and fresh paint. Interior renovations will include upgrades to the laundry facilities, leasing office and fitness/business center. Individual units will be updated with new heating/AC units, new water heaters, electrical upgrades, new flooring and window coverings, new kitchen appliances, new kitchen and bathroom cabinets, countertops, plumbing fixtures, and fresh paint. Site area renovations will include new fencing and lighting, sidewalk repairs, asphalt sealing and re-striping, and improvements to the landscaping and signage. The rehabilitation is expected to begin in March 2019 and be completed in December 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 92%

26% (33 units) restricted to 50% or less of area median income households.

66% (83 units) restricted to 60% or less of area median income households.

Unit Mix: 2 & 3 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:	\$ 50,378,236	
Estimated Hard Costs per Unit:	\$ 38,681	(\$4,951,150 /128 units including mgr. units)
Estimated per Unit Cost:	\$ 393,580	(\$50,378,236 /128 units including mgr. units)
Allocation per Unit:	\$ 261,719	(\$33,500,000 /128 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 288,793	(\$33,500,000 /116 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 33,500,000	\$ 33,500,000
LIH Tax Credit Equity	\$ 10,940,325	\$ 13,310,813
Developer Equity	\$ 5,937,911	\$ 3,567,423
Total Sources	\$ 50,378,236	\$ 50,378,236

Uses of Funds:	
Land Cost/Acquisition	\$ 34,000,000
Rehabilitation	\$ 5,305,168
Contractor Overhead & Profit	\$ 396,093
Architectural Fees	\$ 495,115
Construction Interest and Fees	\$ 1,710,763
Permanent Financing	\$ 434,141
Legal Fees	\$ 340,000
Reserves	\$ 696,782
Appraisal	\$ 8,000
Hard Cost Contingency	\$ 619,623
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 434,640
Developer Costs	\$ 5,937,911
Total Uses	\$ 50,378,236

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:

73.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$33,500,000 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	20
Exceeding Minimum Income Restrictions:	35	15	31
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
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	110	73.5