

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 20, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	California Housing Finance Agency
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Allocation Amount Requested:	
Tax-exempt:	\$12,500,000

Project Information:	
Name:	Park Florin Apartments
Project Address:	6195 66th Avenue
Project City, County, Zip Code:	Sacramento, Sacramento, 95823

Project Sponsor Information:	
Name:	Hampstead Park Florin Partners, L.P. (Park Florin CARE MGP, LLC; and Hampstead Park Florin, LLC)
Principals:	Andrew Parker for Park Florin CARE MGP, LLC; and Greg Gossard, Chris Foster and Jeff Jallo for Hampstead Park Florin, LLC
Property Management Company:	Jordan Management Company

Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Red Stone Tax Exempt Funding 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:	January 11, 2019
TEFRA Adoption Date:	February 15, 2019

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	72
Manager's Units:	1 Unrestricted
Type:	Acquisition and Rehabilitation
Population Served:	Family

Park Florin Apartments is an existing project located in Sacramento on a 4.4-acre site. The project consists of 71 restricted rental units and 1 unrestricted manager unit distributed as 20 one-bedroom units, 40 two-bedroom units and 12 three-bedroom units. Building exterior renovations will include roof replacement, stucco siding repair, new doors and windows, repairs to balconies, decks and patios, and fresh paint. Interior renovations will include upgrades to the community building, including ADA-compliant accessibility improvements. Individual apartment units will be updated with new appliances, countertops, cabinets and plumbing fixtures, refinished tubs and showers, furnace and A/C replacement and LED lighting. Selected units will be altered to comply with accessibility and impaired hearing/vision requirements. Site area renovations will include landscaping improvements, repair and repaving of walkways and parking areas, path-of-travel accessibility improvements, new LED light fixtures, new signage and improvements to entry gates. The rehabilitation is expected to begin in April 2019 and be completed in December 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

11% (8 units) restricted to 50% or less of area median income households.

89% (63 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 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:	\$ 16,404,503	
Estimated Hard Costs per Unit:	\$ 52,000	(\$3,744,000 /72 units including mgr. units)
Estimated per Unit Cost:	\$ 227,840	(\$16,404,503 /72 units including mgr. units)
Allocation per Unit:	\$ 173,611	(\$12,500,000 /72 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 176,056	(\$12,500,000 /71 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,500,000	\$ 10,482,000
LIH Tax Credit Equity	\$ 3,194,519	\$ 4,767,939
Deferred Developer Fee	\$ 259,873	\$ 266,921
Net Income From Operations	\$ 333,271	\$ 737,103
Solar Tax Credits	\$ 11,840	\$ 45,540
Investor Equity	\$ 45,000	\$ 45,000
Low Income Weatherization Program	\$ 60,000	\$ 60,000
Total Sources	\$ 16,404,503	\$ 16,404,503

Uses of Funds:	
Land Cost/Acquisition	\$ 7,500,000
Rehabilitation	\$ 3,968,640
Relocation	\$ 186,000
Contractor Overhead & Profit	\$ 299,520
Architectural Fees	\$ 375,598
Survey and Engineering	\$ 25,000
Construction Interest and Fees	\$ 1,161,762
Permanent Financing	\$ 125,000
Legal Fees	\$ 195,000
Appraisal	\$ 13,000
Hard Cost Contingency	\$ 426,816
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 278,734
Developer Costs	\$ 1,849,433
Total Uses	\$ 16,404,503

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:

68 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$12,500,000 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	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	0
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	2
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	68