

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt: \$16,607,525

Project Information: Name: Stonegate Village I
Project Address: Northwest Corner of Walnut Ave and North First Street
Project City, County, Zip Code: Patterson, Stanislaus, 95363

Project Sponsor Information: Name: Self Help Enterprises
Principals: Thomas J. Collishaw, Kathryn Long-Pence, Susan Atkins,
Paul Boyer, Ethan Dutton and Betsy McGovern-Garcia
Property Management Company: Always With Integrity (AWI) Property Management

Project Financing Information: Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Wells Fargo Bank, 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: August 16, 2018
TEFRA Adoption Date: September 4, 2018

Description of Proposed Project: State Ceiling Pool: Rural
Total Number of Units: 66
Manager's Units: 1 Restricted
Type: New Construction
Population Served: Family

Stonegate Village I Apartments is a new construction project located in Patterson on a 3.47-acre site. The project consists of 65 restricted rental units, and 1 restricted manager unit. The project will have 22 one-bedroom units, 22 two-bedroom units and 22 three-bedroom units. The building will be two stories of wood framed construction. Common amenities include a large community room, laundry facilities, a management office and a computer lab. There are 113 parking spaces provided. The project will be pursuing Green Communities certification. The construction is expected to begin in December 2019 and will be completed in December 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (65 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 20,903,950	
Estimated Hard Costs per Unit:	\$ 172,238	(\$11,367,683 /66 units including mgr. units)
Estimated per Unit Cost:	\$ 316,727	(\$20,903,950 /66 units including mgr. units)
Allocation per Unit:	\$ 251,629	(\$16,607,525 /66 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 255,500	(\$16,607,525 /65 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 16,607,525	\$ 0
LIH Tax Credit Equity	\$ 816,224	\$ 8,064,739
Developer Equity	\$ 123,300	\$ 1,233,000
Deferred Developer Fee	\$ 0	\$ 205,000
Valley Air Loan	\$ 492,489	\$ 492,489
AHP (Central Valley Community Bank)	\$ 660,000	\$ 660,000
HCD AHSC Loan	\$ 0	\$ 10,248,722
Total Sources	\$ 18,699,538	\$ 20,903,950

Uses of Funds:	
Land Cost/Acquisition	\$ 495,000
New Construction	\$ 12,110,888
Contractor Overhead & Profit	\$ 693,204
Architectural Fees	\$ 500,000
Survey and Engineering	\$ 100,000
Construction Interest and Fees	\$ 1,523,590
Permanent Financing	\$ 22,500
Legal Fees	\$ 75,000
Reserves	\$ 95,911
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 747,872
Local Development Impact Fees	\$ 1,705,506
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 318,979
Developer Costs	\$ 2,508,000
Total Uses	\$ 20,903,950

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:

95 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$16,607,525 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	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	10
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	95