

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 17, 2019
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Isaac Clark III

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$18,000,000

Project Information:
Name: Coldstream Commons
Project Address: 10290 Cold Stream Road
Project City, County, Zip Code: Truckee, Nevada, 96161

Project Sponsor Information:
Name: Coldstream Commons, LP (NP Coldstream, LLC, JSCo Coldstream Commons, LLC, and Pacific Housing, Inc.)
Principals: Luke Watkins & David J. Thompson for NP Coldstream, LLC / Jack D. Gardner, Mary Tustin, Daniel Levine & Noah G. Schwartz for JSCo Coldstream, LLC / Mark A. Wise & Mat Eland for Pacific Housing, Inc.
Property Management Company: John Stewart Company

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: May 31, 2019
TEFRA Adoption Date: June 14, 2019

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 48
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Coldstream Commons Apartments is a new construction project located in Truckee on a 1.80-acre site. The project consists of 47 restricted rental units and 1 unrestricted manager unit. The project will have 24 one-bedroom units and 24 two-bedroom units. The building will be 5 3-story buildings and a single-story community building. The community building has been designed to facilitate educational, recreational and social activities. Its space includes a large meeting room and kitchen, a computer area, a manager's offices, a social services coordinator's office and a maintenance room. On the east side of the building is a large patio area for socializing. There will also be a play structure for younger children and other on-site recreational spaces for teens. Each unit will have stacked washer/dryer units. All of the buildings will have south-facing roofs to facilitate future installation of PV panels. There are 84 parking spaces provided. The construction is expected to begin September 1, 2019 and expected to be completed by December 1, 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

51% (24 units) restricted to 50% or less of area median income households.
 49% (23 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:

Estimated Total Development Cost:	\$ 20,620,000	
Estimated Hard Costs per Unit:	\$ 228,180	(\$10,952,631 /48 units including mgr. unit)
Estimated per Unit Cost:	\$ 429,583	(\$20,620,000 /48 units including mgr. unit)
Allocation per Unit:	\$ 375,000	(\$18,000,000 /48 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 382,979	(\$18,000,000 /47 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 18,000,000	\$ 0
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
HCD AHSC HRI	\$ 0	\$ 1,342,691
Developer Equity	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 1,162,933
Deferred Costs	\$ 1,240,949	\$ 0
LIHTC equity	\$ 0	\$ 7,505,152
Local Impact Fees	\$ 0	\$ 0
Net Income From Operations	\$ 0	\$ 0
HCD NHTF	\$ 0	\$ 4,012,084
Enterprise Housing Credit Investments	\$ 654,051	\$ 0
Coldstream Properties Land Donation	725,000	725,000
HCD AHSC AHD	\$ 0	\$ 5,872,140
Total Sources	\$ 20,620,000	\$ 20,620,000

Uses of Funds:	Construction	Permanent
Land Cost/Acquisition	\$ 1,067,691	
Rehabilitation	\$ 0	
Relocation	\$ 0	
New Construction	\$ 12,112,231	
Contractor Overhead & Profit	\$ 548,517	
Architectural Fees	\$ 560,000	
Survey and Engineering	\$ 98,000	
Construction Interest and Fees	\$ 1,348,000	
Permanent Financing	\$ 56,000	
Legal Fees	\$ 150,000	
Reserves	\$ 192,622	
Appraisal	\$ 15,000	
Hard Cost Contingency	\$ 861,352	
Local Development Impact Fees	\$ 791,140	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 369,447	
Developer Costs	\$ 2,450,000	
Total Uses	\$ 20,620,000	

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:

75 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$18,000,000 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]	10.00
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	0.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	140	120	75.00