

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: Chee Thao Yang

Applicant: California Public Finance Authority

Allocation Amount Requested:
Tax-exempt: \$18,500,000

Project Information:
Name: River Park Manor
Project Address: 695 S. Jefferson Street
Project City, County, Zip Code: Napa, Napa, 94559

Project Sponsor Information:
Name: Reliant - River Park, LP (Gung Ho - River Park, LLC; Rainbow - River Park, LLC)
Principals: Joseph L. Sherman & J. Caskie Collet for Jung Ho - River Park, LLC; Flynnann Janisse for Rainbow - River Park, LLC
Property Management Company: Reliant Property Management, LLC

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, 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: April 30, 2019
TEFRA Adoption Date: May 7, 2019

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 105
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

River Manor Park Apartments is an existing project located in Napa on a 7.49 -acre site. The project consists of 104 restricted rental units, and 1 unrestricted manager unit. The project has 7 studio units, 59 one-bedroom units, and 39 two-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of new roofs on all buildings as needed, new energy efficient windows, sliding glass doors as needed, upgrade lighting fixtures, wood repair/siding replacement, and full exterior paint. Interior renovations will include a community room rebuild and new fitness center add ons. Individual apartment units will be updated with new cabinets and countertops in kitchens and baths, new energy efficient appliances in all units, low flow toilets and showerheads, energy efficient lighting and all new fixtures, new vinyl plank flooring in kitchens, hallways, and baths, microwaves, ceiling fans, washers and dryers in-unit where feasible, new interior paints. The rehabilitation is expected to begin in September 2019 and be completed in the fall of 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (11 units) restricted to 50% or less of area median income households.
89% (93 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 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: \$ 28,814,826
Estimated Hard Costs per Unit: \$ 47,354 (\$4,972,146 /105 units including mgr. unit)
Estimated per Unit Cost: \$ 274,427 (\$28,814,826 /105 units including mgr. unit)
Allocation per Unit: \$ 176,190 (\$18,500,000 /105 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 177,885 (\$18,500,000 /104 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,500,000	\$ 14,500,000
Tranche B Financing	\$ 4,000,000	\$ 4,000,000
LIH Tax Credit Equity	\$ 7,673,350	\$ 8,077,208
Deferred Developer Fee	\$ 2,042,576	\$ 1,638,718
Net Income From Operations	\$ 598,900	\$ 598,900
Total Sources	\$ 28,814,826	\$ 28,814,826

Uses of Funds:	
Land Cost/Acquisition	\$ 16,520,000
Rehabilitation	\$ 5,427,098
Relocation	\$ 26,250
Contractor Overhead & Profit	\$ 248,607
Architectural Fees	\$ 175,000
Construction Interest and Fees	\$ 1,525,446
Permanent Financing	\$ 295,775
Legal Fees	\$ 92,000
Reserves	\$ 319,276
Hard Cost Contingency	\$ 567,570
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 240,706
Developer Costs	\$ 3,377,098
Total Uses	\$ 28,814,826

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:

53 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$18,500,000 in tax-exempt bond allocation on a carryforward basis.

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	25
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	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	120	52.8