

**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*

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**Applicant:** California Housing Finance Agency

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**Allocation Amount Requested:** Tax-exempt: \$8,600,000

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**Project Information:** Name: Woodlake Terrace  
Project Address: 448 Ropes Avenue  
Project City, County, Zip Code: Woodlake, Tulare, 93286

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**Project Sponsor Information:** Name: 448 Ropes Ave., LP (Corporation for Better Housing)  
Principals: Lori Koester, John Eleftheriou and Rob Tidd for Corporation for Better Housing  
Property Management Company: WinnResidential California, LP

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**Project Financing Information:** Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
Private Placement Purchaser: Pacific Western Bank  
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

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**Description of Proposed Project:** State Ceiling Pool: Rural  
Total Number of Units: 31  
Manager's Units: 1 Unrestricted  
Type: New Construction  
Population Served: Family

Woodlake Terrace Apartments is a new construction project located in Woodlake on a 1.09-acre site. The project consists of 31 restricted rental units and 1 unrestricted manager unit. The project will have 16 two-bedroom units and 15 three-bedroom units. The building will be two 2-story walk up style buildings. Common amenities include its own onsite clubhouse/community building comprised of approximately 1,000 sq. ft. excluding the laundry area. Four (4) washers and four (4) dryers will be located in this on-site community/clubhouse laundry room. Each unit will include the following amenities: range, frost-free refrigerator, dishwasher, garbage disposal, central heating and air conditioning, granite countertops, coat closets, mini-blinds, vinyl flooring in kitchens and bathrooms, carpet in living areas and will include CAT 5 wiring. All of the apartments will be designed for energy efficiency and include energy efficient appliances. There will be 47 parking spaces provided. The construction is expected to begin October 2019 and be completed in October 2020.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

20% (6 units) restricted to 50% or less of area median income households.

80% (24 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:**

<b>Estimated Total Development Cost:</b>	\$ 11,714,756	
<b>Estimated Hard Costs per Unit:</b>	\$ 241,567	(\$7,488,586 /31 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 377,895	(\$11,714,756 /31 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 277,419	(\$8,600,000 /31 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 286,667	(\$8,600,000 /30 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 8,600,000	\$ 0
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable (CalHFA Permanent Loan)	\$ 0	\$ 1,202,000
LIH Tax Credit Equity	\$ 1,143,436	\$ 3,604,551
Developer Equity	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 975,565
Deferred Costs	\$ 0	\$ 0
HCD-Home Loan	\$ 0	\$ 5,000,000
Itemized Public Funds Sources	\$ 0	\$ 0
Net Income From Operations	\$ 0	\$ 0
Corporation for Better Housing Land Loan	\$ 143,182	\$ 143,182
CalHFA Earned Surplus Loan	\$ 0	\$ 585,614
Solar Equity	\$ 0	\$ 203,844
<b>Total Sources</b>	<b>\$ 9,886,618</b>	<b>\$ 11,714,756</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 143,182
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 6,963,073
Contractor Overhead & Profit	\$ 525,514
Architectural Fees	\$ 149,000
Survey and Engineering	\$ 138,540
Construction Interest and Fees	\$ 831,050
Permanent Financing	\$ 37,877
Legal Fees	\$ 190,000
Reserves	\$ 65,147
Appraisal	\$ 12,000
Hard Cost Contingency	\$ 374,430
Local Development Impact Fees	\$ 198,556
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 686,387
Developer Costs	\$ 1,400,000
<b>Total Uses</b>	<b>\$ 11,714,756</b>

**Analyst Comments:**

None

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**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.

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**Total Points:**

56 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$8,600,000 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	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	-4.50
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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>62.90</b>