

**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: Richard Fischer*

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**Applicant:** California Statewide Communities Development Authority

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

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**Project Information:**  
**Name:** Glen Haven Apartments  
**Project Address:** 4262 Central Avenue  
**Project City, County, Zip Code:** Fremont, Alameda, 94536

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**Project Sponsor Information:**  
**Name:** Glen Haven 2018 LP (Glen Haven 2018 COGP LLC and  
AHA East Bay MGP, LLC)  
**Principals:** Marquis E. Hyatt for Glen Haven 2018 COGP LLC; William  
W. Hirsch and Visalios Salamandrakis for AHA East Bay  
MGP, LLC  
**Property Management Company:** VPM Management, Inc.

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**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:** January 22, 2019  
**TEFRA Adoption Date:** February 5, 2019

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 81  
**Manager's Units:** 1 Unrestricted  
**Type:** Acquisition and Rehabilitation  
**Population Served:** Family

Glen Haven Apartments is an existing project located in Fremont on a 2.83-acre site. The project consists of 57 restricted rental units, 23 market rate units and 1 unrestricted manager unit. The project has 19 one-bedroom units, 54 two-bedroom units and 7 three-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Interior renovations will include laundry room, leasing office and community room upgrades. Individual apartment units will be updated with a new kitchen appliance package, paint and electrical lighting updates. The rehabilitation is expected to begin in August 2019 and be completed in August 2020.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 71%

11% (9 units) restricted to 50% or less of area median income households.

60% (48 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:**

<b>Estimated Total Development Cost:</b>	\$ 30,989,745	
<b>Estimated Hard Costs per Unit:</b>	\$ 44,980	(\$3,643,380 /81 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 382,589	(\$30,989,745 /81 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 222,222	(\$18,000,000 /81 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 315,789	(\$18,000,000 /57 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 18,000,000	\$ 13,705,000
LIH Tax Credit Equity	\$ 2,924,782	\$ 6,499,516
Developer Equity	\$ 0	\$ 487,766
Deferred Developer Fee	\$ 0	\$ 1,945,779
KDF Glen Haven L.P. Loan	\$ 4,000,000	\$ 4,000,000
City of Fremont	\$ 2,757,260	\$ 2,757,260
Net Income From Operations	\$ 979,846	\$ 1,594,424
<b>Total Sources</b>	<b>\$ 28,661,888</b>	<b>\$ 30,989,745</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 20,000,000
Rehabilitation	\$ 3,827,332
Relocation	\$ 72,000
Contractor Overhead & Profit	\$ 346,121
Architectural Fees	\$ 104,100
Survey and Engineering	\$ 10,000
Construction Interest and Fees	\$ 1,538,241
Permanent Financing	\$ 180,000
Legal Fees	\$ 150,000
Reserves	\$ 357,754
Appraisal	\$ 3,500
Hard Cost Contingency	\$ 623,018
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 186,679
Developer Costs	\$ 3,591,000
<b>Total Uses</b>	<b>\$ 30,989,745</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:**

67.5 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$18,000,000 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	20
Exceeding Minimum Income Restrictions:	35	15	20
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	10
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
<b>Total Points</b>	<b>140</b>	<b>110</b>	<b>67.5</b>