

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 16, 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:	\$14,572,000	
Project Information:	Name:	Stone Pine Meadow	
	Project Address:	229 West Grant Line Road	
	Project City, County, Zip Code:	Tracy, San Joaquin, 95376	
Project Sponsor Information:	Name:	Eden Housing, Inc. (Stone Pine Meadow Two, LLC / Tax	
	Principals:	Linda Mandolini, Tatiana Blank, and Andre Madeira for Stone Pine Meadow Two, LLC	
	Property Management Company:	Eden Housing Management, Inc.	
Project Financing Information:	Bond Counsel:	Orrick, Herrington & Sutcliffe LLP	
	Private Placement Purchaser:	BBVA	
	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 29, 2019	
	TEFRA Adoption Date:	September 4, 2019	
Description of Proposed Project:	State Ceiling Pool:	General	
	Total Number of Units:	72	
	Manager's Units:	1 Unrestricted	
	Type:	Acquisition and Rehabilitation	
	Population Served:	Family	

Stone Pine Meadow Apartments is comprised of 14 two-story residential buildings, 1 community building, and 1 maintenance/laundry building across 4 acres. The entire project consists of 71 restricted rental units, 0 market rate units and 1 unrestricted manager unit. The entire project has 15 one-bedroom units, 23 two-bedroom units, 28 three-bedroom units, and 6 four-bedroom units. Building exterior renovations will consist of replacing windows and sliding glass doors, partial siding replacement, and address water intrusion and/or termite damage where it occurs. Interior renovations will include repair and upgrade unit elements as called for in the PNA. Reconfigure community and maintenance buildings to better address property needs. Replace play area structure and surface. Repair or replace stormwater pumps. Repair parking areas and site fencing as needed. The rehabilitation is expected to begin in January 2020 and be completed in September 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project:	100%
<u>42%</u> (30 units) restricted to 50% or less of area median income households.	
<u>58%</u> (41 units) restricted to 60% or less of area median income households.	
Unit Mix:	1, 2, 3 & 4 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions:	55 years
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Details of Project Financing:

Estimated Total Development Cost:	\$	25,988,711	
Estimated Hard Costs per Unit:	\$	101,768	(\$7,327,314 /72 units including mgr. unit)
Estimated per Unit Cost:	\$	360,954	(\$25,988,711 /72 units including mgr. unit)
Allocation per Unit:	\$	202,389	(\$14,572,000 /72 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	205,239	(\$14,572,000 /71 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,572,000	\$ 2,774,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 610,000
Taxable Bond Proceeds	\$ 0	\$ 2,500,000
LIH Tax Credit Equity	\$ 0	\$ 9,457,184
San Joaquin Cnty HOME 3	\$ 62,648	\$ 62,648
Deferred Developer Fee	\$ 2,387,314	\$ 2,387,314
City of Tracy-Assumed Loan	\$ 2,575,994	\$ 2,575,994
Seller Carryback Loan	\$ 4,125,082	\$ 4,125,082
San Joaquin Cnty HOME 1	\$ 471,738	\$ 471,738
San Joaquin Cnty HOME 2	\$ 219,286	\$ 219,286
Costs Deferred til Perm	\$ 633,412	\$ 285,738
LP Equity	\$ 837,510	\$ 416,000
GP Equity-Existing Reserves	\$ 103,727	\$ 103,727
Total Sources	\$ 25,988,711	\$ 25,988,711

Uses of Funds:	
Land Cost/Acquisition	\$ 10,036,000
Rehabilitation	\$ 8,422,200
Relocation	\$ 1,300,000
New Construction	\$ 0
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 199,000
Survey and Engineering	\$ 294,000
Construction Interest and Fees	\$ 826,354
Permanent Financing	\$ 120,740
Legal Fees	\$ 35,000
Reserves	\$ 353,629
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 1,023,000
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 183,974
Developer Costs	\$ 3,187,314
Total Uses	\$ 25,988,711

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:

70 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$14,572,000 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	10
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	0.00
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	110	70.00