

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: \$37,592,160
Project Information:	Name: Arena Senior Apartments Project Address: Truxel Road and E. Sports Parkway Project City, County, Zip Code: Sacramento, Sacramento, 95834
Project Sponsor Information:	Name: Arena Senior Investors, LP (Arena-Adelphia, LP / Greek Orthodox Housing Corporation / WNC & Associates) Principals: Paul Z. Stamus, Debbie Stamus, Makis Stathopoulos, and Christo Emmanuel for Arena Senior Investors, LP Property Management Company: FPI Management
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: August 29, 2019 TEFRA Adoption Date: September 4, 2019
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 240 Manager's Units: 2 Unrestricted Type: New Construction Population Served: Senior Citizens

Arena Senior Apartments is a new construction project located in Sacramento on a 9.1-acre site. The project consists of 193 restricted rental units, 45 market rate units and 2 unrestricted manager units. The project will have 123 one-bedroom units, 91 two-bedroom units and 0 three-bedroom units. The project will consist of one community building and four 3-story accessible buildings connected by covered pathways. Common amenities include garden, picnic areas, pool, community laundry facilities, exercise room fully equipped, lounge area, and kitchen facility. Unit amenities will include exterior entrances, vinyl plank throughout with plush carpeting in bedroom areas, vinyl plank in kitchens and baths, and mini-blinds throughout. Parking will be consistent with city and county requirements. There will be surface and covered parking spaces with handicapped and guest parking placed throughout the parking areas. The construction is expected to begin before the end of 2019 and be completed within 18 months.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 81%
24% (57 units) restricted to 50% or less of area median income households.
47% (112 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: \$ 47,072,975
Estimated Hard Costs per Unit: \$ 112,695 (\$27,046,742 /240 units including mgr. units)
Estimated per Unit Cost: \$ 196,137 (\$47,072,975 /240 units including mgr. units)
Allocation per Unit: \$ 156,634 (\$37,592,160 /240 units including mgr. units)
Allocation per Restricted Rental Unit: \$ 194,778 (\$37,592,160 /193 restricted units)

Sources of Funds:

	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 37,592,160	\$ 27,019,599
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
CalHFA Gap Loan	\$ 0	\$ 6,000,000
LIH Tax Credit Equity	\$ 0	\$ 11,130,913
Developer Equity	\$ 0	\$ 0
Deferred Developer Fee	\$ 5,542,988	\$ 2,922,463
Deferred Reserves	\$ 598,553	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
Net Income From Operations	\$ 0	\$ 0
Misc	\$ 0	\$ 0
Misc	\$ 0	\$ 0
Investor Equity	\$ 3,339,274	\$ 0
Total Sources	\$ 47,072,975	\$ 47,072,975

Uses of Funds:

Land Cost/Acquisition	\$ 3,100,000
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 29,439,798
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 50,000
Survey and Engineering	\$ 125,000
Construction Interest and Fees	\$ 2,501,000
Permanent Financing	\$ 217,092
Legal Fees	\$ 180,000
Reserves	\$ 598,553
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,552,337
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 3,756,207
Developer Costs	\$ 5,542,988
Total Uses	\$ 47,072,975

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:

54 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$37,592,160 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	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	-2.30
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	53.88