

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 Municipal Finance Authority

Allocation Amount Requested:

Tax-exempt: \$12,200,000

Project Information:

Name: Altrudy Lane Seniors
Project Address: 18551 Altrudy Lane
Project City, County, Zip Code: Yorba Linda, Orange, 92886

Project Sponsor Information:

Name: Yorba Linda Altrudy, LP (OHDC Altrudy, LLC/C&C Altrudy, LLC/NEF Assignment Corporation)
Principals: Eunice Bobert for OHDC Altrudy, LLC / Barry Cottle and Todd R. Cottle for C&C Altrudy, LLC

Property Management Company: Advanced Property Services, LLC

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Bank of America, 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: July 16, 2019
TEFRA Adoption Date: January 0, 1900

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 48
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Senior Citizens

Altrudy Lane Seniors is a new construction project located in Yorba Linda on a 2.56-acre site. The project consists of 39 restricted rental units, 8 market rate units and 1 unrestricted manager unit. The project will have 39 one-bedroom units, 8 two-bedroom units and 0 three-bedroom units. This 2 building project will consist of building "A" being 2-stories with elevator access and building "B" will be a single story with no elevator access. Common amenities include community and common areas, gated access, recreational areas, pool, and a community garden. Each unit will have air conditioning and private open space. There are 58 parking spaces provided. The project will utilize sustainable building methods such as "low-E" windows, grass bio swales, filterra units, and solar panels to service common area electricity, water saving plumbing fixtures, formaldehyde-free insulation, and will vent all kitchen range hoods and bathroom fans to the exterior of the building. The construction is expected to begin March 2020 and be completed in July 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 83%
23% (11 units) restricted to 50% or less of area median income households.
60% (28 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: \$ 21,231,077
Estimated Hard Costs per Unit: \$ 205,000 (\$9,840,000 /48 units including mgr. unit)
Estimated per Unit Cost: \$ 442,314 (\$21,231,077 /48 units including mgr. unit)
Allocation per Unit: \$ 254,167 (\$12,200,000 /48 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 312,821 (\$12,200,000 /39 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,200,000	\$ 3,557,420
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 1,161,600
CalHFA Special Needs Housing Program	\$ 1,300,000	\$ 1,300,000
LIH Tax Credit Equity	\$ 0	\$ 6,315,345
Developer Equity	\$ 0	\$ 0
Deferred Developer Fee	\$ 1,912,551	\$ 153,404
Deferred Costs	\$ 0	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
HCD-No Place Like Home	\$ 0	\$ 2,041,158
City of Yorba Linda	\$ 4,320,000	\$ 6,702,050
General Partner Equity	\$ 100	\$ 100
Limited Partner Equity	\$ 1,105,636	\$ 0
Costs Deferred Until Completion	\$ 392,790	\$ 0
Total Sources	\$ 21,231,077	\$ 21,231,077

Uses of Funds:	
Land Cost/Acquisition	\$ 4,364,896
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 9,186,977
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 700,000
Survey and Engineering	\$ 320,000
Construction Interest and Fees	\$ 1,289,287
Permanent Financing	\$ 119,177
Legal Fees	\$ 148,000
Reserves	\$ 346,800
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 872,346
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,856,968
Developer Costs	\$ 2,011,626
Total Uses	\$ 21,231,077

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:

50 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$12,200,000 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	28
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	-5.70
Large Family Units	5	5	0.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	7.50
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	50.10