

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 11, 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:** \$6,000,000

---

**Project Information:**  
**Name:** Sycamore Ridge Family Apartments  
**Project Address:** 1245 West Sycamore Street  
**Project City, County, Zip Code:** Willows, Glenn, 95988

---

**Project Sponsor Information:**  
**Name:** Willow Family Associates, a California Limited Partnership  
(TPC Holdings VII, LC / Central Valley Coalition for Affordable Housing)  
**Principals:** Caleb Roope, Manager for TPC Holdings VII, LLC / Alan Jenkins, President, Steve Simmons, VP, Sid McIntyre, VP, Christina Alley, CEO, Jennifer Bertuccio, COO & Secretary, Renee Downum, Treasurer for Central Valley Coalition for Affordable Housing  
**Property Management Company:** Buckingham Property Management

---

**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** California Bank and Trust  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** October 22, 2019  
**TEFRA Adoption Date:** October 29, 2019

---

**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 24  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

Sycamore Ridge Family Apartments project is located in the City of Willows on a 1.65-acre sites. The entire project consists of 23 restricted rental units, 0 market rate units and 1 unrestricted manager unit. The entire project has 12 two-bedroom units, 11 three-bedroom units, and 1 three-bedroom unit as the manager unit. Building exterior upgrades will consist of an exercise room, community laundry room, outdoor children's playground, and covered parking stalls. Interior upgrades will include new refrigerators, exhaust fans, dishwashers, garbage disposals, ranges with ovens, and covered patio or balcony with storage space. The construction is expected to begin in April 2020 and be completed in April 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
70% (16 units) restricted to 50% or less of area median income households.  
30% (7 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>      | \$ 9,903,214 |   |
| <b>Estimated Hard Costs per Unit:</b>         | \$ 234,313   | (\$5,623,500 /24 units including mgr. unit) |
| <b>Estimated per Unit Cost:</b>               | \$ 412,634   | (\$9,903,214 /24 units including mgr. unit) |
| <b>Allocation per Unit:</b>                   | \$ 250,000   | (\$6,000,000 /24 units including mgr. unit) |
| <b>Allocation per Restricted Rental Unit:</b> | \$ 260,870   | (\$6,000,000 /23 restricted units)          |

| <b>Sources of Funds:</b>                   | Construction        | Permanent           |
|--|---------------------|---------------------|
| Tax-Exempt Bond Proceeds                   | \$ 6,000,000        | \$ 600,000          |
| Cash Flow Permanent Bonds                  | \$ 0                | \$ 0                |
| Tranche B Financing                        | \$ 0                | \$ 0                |
| Taxable Bond Proceeds                      | \$ 0                | \$ 0                |
| LIH Tax Credit Equity                      | \$ 591,560          | \$ 3,708,214        |
| Income from Operatons                      | \$ 0                | \$ 0                |
| Deferred Developer Fee                     | \$ 1,225,623        | \$ 595,000          |
| Costs Deferred Until Conversion            | \$ 0                | \$ 0                |
| Seller Carryback Loan                      | \$ 0                | \$ 0                |
| City of Willows                            | \$ 2,000,000        | \$ 5,000,000        |
| Accrued Deferred Interest-Seller Carryback | \$ 0                | \$ 0                |
| Acquired Project Reserves                  | \$ 86,031           | \$ 0                |
| Capital Contribution (GP)                  | \$ 0                | \$ 0                |
| Capital Contribution (LP)                  | \$ 0                | \$ 0                |
| <b>Total Sources</b>                       | <b>\$ 9,903,214</b> | <b>\$ 9,903,214</b> |

| <b>Uses of Funds:</b>                             |                     |
|---|---------------------|
| Land Cost/Acquisition                             | \$ 242,500          |
| Rehabilitation                                    | \$ 0                |
| Relocation  | \$ 0                |
| New Construction                                  | \$ 6,480,790        |
| Contractor Overhead & Profit                      | \$ 0                |
| Architectural Fees                                | \$ 200,000          |
| Survey and Engineering                            | \$ 145,000          |
| Construction Interest and Fees                    | \$ 384,700          |
| Permanent Financing                               | \$ 100,000          |
| Legal Fees  | \$ 50,000           |
| Reserves  | \$ 86,031           |
| Appraisal   | \$ 10,000           |
| Hard Cost Contingency                             | \$ 325,000          |
| Local Development Impact Fees                     | \$ 0                |
| Other Project Costs (Soft Costs, Marketing, etc.) | \$ 653,570          |
| Developer Costs                                   | \$ 1,225,623        |
| <b>Total Uses</b>                                 | <b>\$ 9,903,214</b> |

**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:**

71.20 out of 140 [See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approves \$6,000,000 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   | 35            |
| Exceeding Minimum Rent Restrictions<br>[Allowed if 10 pts not awarded above in Preservation Project] | [10]   | [10]   | 6.20          |
| 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<br>(Competitive Allocation Process Only)                              | 10   | 10   | 0.00          |
| Minimum Term of Restrictions<br>(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>71.20</b>  |