

**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

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<b>Applicant:</b>	California Municipal Finance Authority
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<b>Allocation Amount Requested:</b>	
<b>Tax-exempt:</b>	\$6,300,000

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<b>Project Information:</b>	
<b>Name:</b>	El Dorado Family Apartments
<b>Project Address:</b>	NE Corner 8th Street & El Dorado Avenue
<b>Project City, County, Zip Code:</b>	El Centro, Imperial, 92243

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<b>Project Sponsor Information:</b>	
<b>Name:</b>	El Centro Pacific Associates, CA Limited Partnership (TPC Holdings VII, LLC / Central Valley Coalition for Affordable Housing)
<b>Principals:</b>	Caleb Roope, Mgr. for TPC Holdings VII, LLC / Alan Jenkins, President, Sid McIntyre, VP, Steve Simmons, VP, Christina Alley, CEO, Jennifer Bertuccio, COO & Secretary, Renee Downum, Treasurer for Central Valley Coalition for Affordable Housing
<b>Property Management Company:</b>	Buckingham Property Management

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<b>Project Financing Information:</b>	
<b>Bond Counsel:</b>	Orrick, Herrington & Sutcliffe LLP
<b>Private Placement Purchaser:</b>	JPMorgan Chase Bank, N.A.
<b>Cash Flow Permanent Bond:</b>	Not Applicable
<b>Public Sale:</b>	Not Applicable
<b>Underwriter:</b>	Not Applicable
<b>Credit Enhancement Provider:</b>	Not Applicable
<b>Rating:</b>	Not Applicable
<b>TEFRA Noticing Date:</b>	October 25, 2019
<b>TEFRA Adoption Date:</b>	November 5, 2019

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<b>Description of Proposed Project:</b>	
<b>State Ceiling Pool:</b>	General
<b>Total Number of Units:</b>	24
<b>Manager's Units:</b>	1 Unrestricted
<b>Type:</b>	New Construction
<b>Population Served:</b>	Family

El Dorado Family Apartments is a new construction project located in El Centro on a 2.93-acre site. The project consists of 23 restricted rental units, 0 market rate units and 1 unrestricted manager unit. The project will have 0 one-bedroom units, 8 two-bedroom units, 7 three-bedroom units, 8 four-bedroom units, and 1 three-bedroom unit as the manager unit. Common amenities include centrally located swimming pool, outdoor children's playground, community building, and a covered picnic area with a BBQ. Each unit will feature new refrigerators, exhaust fans, dishwashers, garbage disposals, ranges with ovens, and a patio or balcony with storage space. The construction is expected to begin April 2020 and be completed in April 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

22% (5 units) restricted to 50% or less of area median income households.

78% (18 units) restricted to 60% or less of area median income households.

**Unit Mix:** 2, 3 & 4 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>	\$	9,862,629	
<b>Estimated Hard Costs per Unit:</b>	\$	226,776	(\$5,442,633 /24 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$	410,943	(\$9,862,629 /24 units including mgr. unit)
<b>Allocation per Unit:</b>	\$	262,500	(\$6,300,000 /24 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$	273,913	(\$6,300,000 /23 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,300,000	\$ 1,500,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity (Boston Capital)	\$ 623,669	\$ 2,843,629
Income from Operatons	\$ 0	\$ 0
Deferred Developer Fee	\$ 1,221,821	\$ 385,000
Costs Deferred Until Conversion	\$ 83,139	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
City of El Centro (HOME Loan)	\$ 1,500,000	\$ 5,000,000
City of El Centro (PI Loan)	\$ 134,000	\$ 134,000
Acquired Project Reserves	\$ 0	\$ 0
Capital Contribution (GP)	\$ 0	\$ 0
Capital Contribution (LP)	\$ 0	\$ 0
<b>Total Sources</b>	<b>\$ 9,862,629</b>	<b>\$ 9,862,629</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 242,500
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 6,269,902
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 200,000
Survey and Engineering	\$ 145,000
Construction Interest and Fees	\$ 394,000
Permanent Financing	\$ 115,000
Legal Fees	\$ 50,000
Reserves	\$ 83,139
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 311,000
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 820,267
<b>Developer Costs</b>	<b>\$ 1,221,821</b>
<b>Total Uses</b>	<b>\$ 9,862,629</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:**

61.87 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$6,300,000 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	31
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	-1.50
Large Family Units	5	5	5.00
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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>61.87</b>