

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: Richard Fischer

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$6,300,000

Project Information:
Name: Ukiah Senior Apartments
Project Address: NE Corner S. Oak St. & W. Gobbi St.
Project City, County, Zip Code: Ukiah, Mendocino, 95482

Project Sponsor Information:
Name: Ukiah Pacific Associates, a California Limited Partnership (TPC Holdings VII, LLC and Central Valley Coalition for Affordable Housing)
Principals: Caleb Roope for TPC Holdings VII, LLC; Alan Jenkins, Sid McIntyre, Steve Simmons, Christina Alley, Jennifer Bertuccio, Renee Downum 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 & 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 23, 2019
TEFRA Adoption Date: November 6, 2019

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 31
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Senior Citizens

Ukiah Senior Apartments is a new construction project located in Ukiah on a .89-acre site. The project consists of 30 restricted rental units and 1 unrestricted manager unit. The project will have 27 one-bedroom units and 4 two-bedroom units. The building will be 3 stories and with a wood frame type construction. Common amenities will include a community room, laundry facilities, management office, exercise room and covered parking stalls. Each unit will have refrigerator, range/oven, dishwasher, exhaust fans and patios or balconies with storage space. The construction is expected to begin in April 2020 and will be completed in April 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (6 units) restricted to 50% or less of area median income households.
80% (24 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:	\$ 10,323,593	
Estimated Hard Costs per Unit:	\$ 186,640	(\$5,785,830 /31 units including mgr. unit)
Estimated per Unit Cost:	\$ 333,019	(\$10,323,593 /31 units including mgr. unit)
Allocation per Unit:	\$ 203,226	(\$6,300,000 /31 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 210,000	(\$6,300,000 /30 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,300,000	\$ 1,100,000
LIH Tax Credit Equity	\$ 687,332	\$ 3,835,593
Deferred Developer Fee	\$ 1,267,723	\$ 388,000
Deferred Costs	\$ 68,538	\$ 0
City of Ukiah	\$ 2,000,000	\$ 5,000,000
Total Sources	\$ 10,323,593	\$ 10,323,593

Uses of Funds:	
Land Cost/Acquisition	\$ 335,000
New Construction	\$ 6,186,880
Contractor Overhead & Profit	\$ 462,867
Architectural Fees	\$ 350,000
Survey and Engineering	\$ 145,000
Construction Interest and Fees	\$ 384,000
Permanent Financing	\$ 107,000
Legal Fees	\$ 50,000
Reserves	\$ 68,538
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 330,000
Local Development Impact Fees	\$ 337,739
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 288,846
Developer Costs	\$ 1,267,723
Total Uses	\$ 10,323,593

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 \$6,300,000 in tax-exempt bond allocation on a carryforward basis.

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	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	70