

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**February 18, 2020**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by: Richard Fischer*

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<b>Applicant:</b>	<b>California Municipal Finance Authority</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b>	<b>\$10,700,000</b>
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<b>Project Information:</b>	<b>Name:</b>	<b>Countryside II</b>
	<b>Project Address:</b>	1725 W Adams
	<b>Project City, County, Zip Code:</b>	El Centro, Imperial, 92243

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<b>Project Sponsor Information:</b>	<b>Name:</b>	Countryside II CIC, LP (CIC Countryside, LLC and Southern California Housing Collaborative)
	<b>Principals:</b>	Cheri Hoffman for CIC Countryside II, LLC and Nathan Schmid for the Southern California Housing Collaborative
	<b>Property Management Company:</b>	CIC Management, Inc.

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b>	Orrick, Herrington & Sutcliffe LLP
	<b>Private Placement Purchaser:</b>	Banner Bank
	<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>	November 12, 2019
	<b>TEFRA Adoption Date:</b>	December 17, 2019

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b>	General
	<b>Total Number of Units:</b>	56
	<b>Manager's Units:</b>	1 Unrestricted
	<b>Type:</b>	New Construction
	<b>Population Served:</b>	Family

Countryside II Apartments is a new construction project located in El Centro on a 2.39 -acre site. The project consists of 55 restricted rental units and 1 unrestricted manager unit. The project will have 8 one-bedroom units, 32 two-bedroom units and 16 three-bedroom units. The building will be two-stories of wood frame construction. Common amenities include a large community room, laundry facilities, management offices, a tot-lot and a BBQ pit. Each unit will have a refrigerator, range/oven, dishwasher, closet and a full size bathroom. There will be 114 parking spaces provided. The construction will begin in June 2020 and will be completed in June 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
60% (33 units) restricted to 50% or less of area median income households.  
40% (22 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points. The project will provide after school programs and instructor-led educational and health and wellness or skill building classes.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

**Estimated Total Development Cost:** \$ 19,229,068  
**Estimated Hard Costs per Unit:** \$ 158,389 (\$8,869,773 /56 units including mgr. unit)  
**Estimated per Unit Cost:** \$ 343,376 (\$19,229,068 /56 units including mgr. unit)  
**Allocation per Unit:** \$ 191,071 (\$10,700,000 /56 units including mgr. unit)  
**Allocation per Restricted Rental Unit:** \$ 194,545 (\$10,700,000 /55 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,700,000	\$ 2,780,000
LIH Tax Credit Equity	\$ 1,549,399	\$ 10,329,324
Deferred Developer Fee	\$ 0	\$ 1,119,744
Deferred Costs	\$ 1,979,670	\$ 0
HCD Home	\$ 5,000,000	\$ 5,000,000
<b>Total Sources</b>	<b>\$ 19,229,069</b>	<b>\$ 19,229,068</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 890,755
New Construction	\$ 11,453,656
Contractor Overhead & Profit	\$ 1,118,910
Architectural Fees	\$ 304,040
Survey and Engineering	\$ 394,450
Construction Interest and Fees	\$ 713,975
Permanent Financing	\$ 26,630
Legal Fees	\$ 203,589
Reserves	\$ 120,584
Appraisal	\$ 14,500
Hard Cost Contingency	\$ 637,778
Local Development Impact Fees	\$ 582,201
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 649,461
Developer Costs	\$ 2,118,539
<b>Total Uses</b>	<b>\$ 19,229,068</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:**

130 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$10,700,000 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 [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>130</b>