

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: Christine Shephard

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt: \$9,537,743

Project Information: Name: Heber Del Sol Family Apartments
Project Address: 1091 Pitzer Road
Project City, County, Zip Code: Heber, Imperial, 92249

Project Sponsor Information: Name: CRP Heber Del Sol Family Apartments LP (Metropolitan
Principals: Paul Salib, Chairman & CEO John Salib, President for CRP
Affordable Housing and Community Development LLC and
Kursat Misirlioglu, CEO for Mirka Investments
Property Management Company: Barker Management, Inc.

Project Financing Information: Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Citi Community Capital
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: December 11, 2019
TEFRA Adoption Date: January 7, 2020

Description of Proposed Project: State Ceiling Pool: Rural
Total Number of Units: 48
Manager's Units: 1 Restricted
Type: New Construction
Population Served: Family/Special Needs

Heber del Sol Family Apartments is a new construction project located in Imperial, California. The project consists of 47 restricted rental units and 1 restricted manager unit. The project will have 12 one-bedroom units, 12 two-bedroom units and 12 three-bedroom units. The buildings will consist of 6-3 story Type VA wood framed over concrete slabs with stucco exteriors and vinyl windows. Common amenities include a community building with an outdoor patio area and a covered courtyard, a covered tot lot play area to be located within the central courtyard, a computer lounge, laundry facilities and a management office. Each unit will have a refrigerator and a range/oven. There will be 66 covered surface parking spaces provided. Green features will include solar photo-voltaic systems atop all carports as well as roof top solar water heating. The construction is expected to begin in March 2020 and to be completed in July 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

60% (29 units) restricted to 50% or less of area median income households.

40% (19 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.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 17,345,625	
Estimated Hard Costs per Unit:	\$ 165,208	(\$7,930,000 /48 units including mgr. unit)
Estimated per Unit Cost:	\$ 361,367	(\$17,345,625 /48 units including mgr. unit)
Allocation per Unit:	\$ 198,703	(\$9,537,743 /48 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 198,703	(\$9,537,743 /48 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,537,743	\$ 2,853,830
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 500,000	\$ 0
Federal LIHTC Equity	\$ 1,579,686	\$ 10,789,671
Deferred Developer Fee	\$ 0	\$ 138,318
State LIHTC Equity	\$ 1,009,835	\$ 0
Deferred Costs	\$ 1,641,361	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
Residual Receipt Loans Accrued Interest	\$ 0	\$ 156,420
Net Income From Operations	\$ 0	\$ 135,121
County of Imperial COC HEAP	\$ 2,607,000	\$ 2,607,000
AHP	\$ 470,000	\$ 470,000
Forgone Developer Fee	\$ 0	\$ 195,265
Total Sources	\$ 17,345,625	\$ 17,345,625

Uses of Funds:	
Land Cost/Acquisition	\$ 1,105,000
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 8,965,800
Contractor Overhead & Profit	\$ 893,000
Architectural Fees	\$ 350,000
Survey and Engineering	\$ 140,500
Construction Interest and Fees	\$ 843,776
Permanent Financing	\$ 25,009
Legal Fees	\$ 232,500
Reserves	\$ 259,056
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,035,880
Local Development Impact Fees	\$ 429,097
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 965,042
Developer Costs	\$ 2,090,965
Total Uses	\$ 17,345,625

Analyst Comments:

While this project is new construction, there is currently one (1) unit on the site to be relocated. There is a permanent relocation plan in place.

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:

124 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,537,743 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	0
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	9
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
Total Points	145	125	124