

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: Isaac Clark III

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$12,000,000

Project Information:
Name: Downtown Madera Veterans & Family Housing
Project Address: 121, 125, 200 & 204 North C Street
Project City, County, Zip Code: Madera, Madera, 93638

Project Sponsor Information:
Name: Downtown Madera Housing Associates, LP (TPC Holding VII, LLC / Madera Opportunities for Resident Enrichment and Services, Inc.)
Principals: Caleb Roope, Manager for TPC Holdings VII, LLC / Herman Perez, CEO, David Hernandez, Secretary, Linda Shaw, Exec. Director, Bill Glover, VP Chairman, Gary Svanda, CFO for Madera Opportunities for Resident Enrichment & Services, Inc.
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: December 11, 2019
TEFRA Adoption Date: December 18, 2019

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 48
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Downtown Madera Veterans & Family Housing is a new construction project located in Madera on a 0.88-acre site. The project consists of 47 restricted rental units, 0 market rate units and 1 unrestricted manager unit. The project will have 18 SRO/Studio units, 10 one-bedroom units, 11 two-bedroom units, 8 three-bedroom units, and 1 two-bedroom unit as the manager unit. The proposed type of construction will be 2 three-story, wood framed structures, designed and detailed in conformance with applicable life safety and fire codes, supported by perimeter foundations with concrete slab flooring. Within the units, residents will enjoy standard features such as refrigerators, exhaust fans, dishwashers, disposals, and ranges with ovens. Other project amenities include community rooms, laundry rooms, outdoor deck area, children's playground, secured bicycle parking and storage, and 32 parking spaces. The construction is expected to begin May 2020 and be completed in May 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

62% (29 units) restricted to 50% or less of area median income households.
38% (18 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 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:	\$ 21,432,756	
Estimated Hard Costs per Unit:	\$ 305,990	(\$14,687,510 /48 units including mgr. unit)
Estimated per Unit Cost:	\$ 446,516	(\$21,432,756 /48 units including mgr. unit)
Allocation per Unit:	\$ 250,000	(\$12,000,000 /48 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 255,319	(\$12,000,000 /47 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,000,000	\$ 1,350,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 3,500,000	\$ 0
LIH Tax Credit Equity	\$ 1,137,697	\$ 11,021,036
Income from Operatons	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 0
Costs Deferred Until Conversion	\$ 352,319	\$ 0
SJVAPCD Loan	\$ 539,151	\$ 539,151
City of Madera	\$ 946,000	\$ 946,000
Seller Carryback	\$ 0	\$ 0
Pacific West Communities, Inc.	\$ 2,457,589	\$ 257,589
MHSA Loan	\$ 500,000	\$ 500,000
HCD/SGC-AHSC Loan	\$ 0	\$ 6,818,980
Total Sources	\$ 21,432,756	\$ 21,432,756

Uses of Funds:	
Land Cost/Acquisition	\$ 193,500
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 13,182,210
Contractor Overhead & Profit	\$ 981,580
Architectural Fees	\$ 450,000
Survey and Engineering	\$ 273,000
Construction Interest and Fees	\$ 782,520
Permanent Financing	\$ 113,500
Legal Fees	\$ 70,000
Reserves	\$ 352,319
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,050,000
Local Development Impact Fees	\$ 0
Other Project Costs	\$ 1,516,538
Developer Costs	\$ 2,457,589
Total Uses	\$ 21,432,756

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:

117.50 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$12,000,000 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 [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	7.50
Gross Rents	5	5	5.00
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	10.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	10.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	145	125	117.50