

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: \$12,063,278

Project Information:
Name: Worthington La Luna Family Apartments
Project Address: 605 West Worthington Road
Project City, County, Zip Code: Imperial, Imperial, 92251

Project Sponsor Information:
Name: CRP Worthington La Luna Family Apartments LP (Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc.; CRP Worthington La Luna Family Apartments AGP LLC)
Principals: Paul Salib, Chairman/CEO and John Salib, President

Property Management Company: Barker Management Incorporated

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Citibank, N.A.
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: 66
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

46% (30 units) restricted to 50% or less of area median income households.

54% (35 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:	\$ 21,183,033	
Estimated Hard Costs per Unit:	\$ 159,537	(\$10,529,455 /66 units including mgr. unit)
Estimated per Unit Cost:	\$ 320,955	(\$21,183,033 /66 units including mgr. unit)
Allocation per Unit:	\$ 182,777	(\$12,063,278 /66 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 185,589	(\$12,063,278 /65 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,063,278	\$ 0
Taxable Loan	\$ 4,736,391	\$ 4,459,444
State LIHTC Equity	\$ 773,317	\$ 0
Federal LIH Tax Credit Equity	\$ 1,209,700	\$ 13,220,109
Deferred Developer Fee	\$ 0	\$ 61,968
Deferred Costs	\$ 1,821,400	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
USDA 514 Loan	\$ 0	\$ 2,350,000
Net Income From Operations	\$ 0	\$ 210,460
Residual Receipts Loan Int.	\$ 0	\$ 52,105
Land Note	\$ 578,947	\$ 578,947
Total Sources	\$ 21,183,033	\$ 21,183,033

Uses of Funds:	
Land Cost/Acquisition	\$ 1,490,790
New Construction	\$ 12,643,579
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 375,000
Survey and Engineering	\$ 148,577
Construction Interest and Fees	\$ 1,153,406
Permanent Financing	\$ 26,700
Legal Fees	\$ 232,500
Reserves	\$ 194,027
Hard Cost Contingency	\$ 747,610
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,598,877
Developer Costs	\$ 2,561,967
Total Uses	\$ 21,183,033

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:

120 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,063,278 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]	6
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	120