

**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>\$11,400,000</b>
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<b>Project Information:</b>	<b>Name:</b>	<b>Madera Village</b>
	<b>Project Address:</b>	E. Lewis Street and Highway 99
	<b>Project City, County, Zip Code:</b>	Madera, Madera, 93637

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<b>Project Sponsor Information:</b>	<b>Name:</b>	Self Help Enterprises (Madera Village, LLC)
	<b>Principals:</b>	Thomas J. Collishaw for Madera Village LLC
	<b>Property Management Company:</b>	AWI Management Corporation

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b>	Jones Hall, A Professional Law Corporation
	<b>Private Placement Purchaser:</b>	Wells Fargo Bank, N.A.
	<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>	December 4, 2019
	<b>TEFRA Adoption Date:</b>	December 18, 2019

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b>	General
	<b>Total Number of Units:</b>	52
	<b>Manager's Units:</b>	1 Unrestricted
	<b>Type:</b>	New Construction
	<b>Population Served:</b>	Family

Madera Village Apartments is a new construction project located in Madera on a 3.54-acre site. The project consists of 51 restricted rental units and 1 unrestricted manager unit. The project will have 20 one-bedroom units, 16 two-bedroom units and 16 three-bedroom units. The building will be a combination of 3 two-story buildings and 1 three-story building constructed of wood frame construction. Common amenities include a large community room, laundry facilities and leasing office. Each unit will have washer and dryer hookups, dishwasher, refrigerator, garbage disposal and central heating and air. There will be 98 parking spaces provided. The construction is expected to begin June 2020 and will be completed in August 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

80% (41 units) restricted to 50% or less of area median income households.

20% (10 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:**

<b>Estimated Total Development Cost:</b>	\$	20,923,807	
<b>Estimated Hard Costs per Unit:</b>	\$	241,154	(\$12,540,000 /52 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$	402,381	(\$20,923,807 /52 units including mgr. unit)
<b>Allocation per Unit:</b>	\$	219,231	(\$11,400,000 /52 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$	223,529	(\$11,400,000 /51 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,400,000	\$ 0
Taxable Bond Proceeds	\$ 6,432,920	\$ 0
LIH Tax Credit Equity	\$ 926,669	\$ 10,571,696
Deferred Developer Fee	\$ 459,429	\$ 459,429
Deferred Costs	\$ 1,069,789	\$ 0
Seller Carryback Loan	\$ 250,000	\$ 250,000
MHSA Capital Funds Madera County	\$ 310,000	\$ 310,000
Madera County (NPLH TA)	\$ 75,000	\$ 75,000
AHP	\$ 0	\$ 520,000
MHP Loan	\$ 0	\$ 6,259,193
NPLH Competitive	\$ 0	\$ 2,078,489
NPLH Noncompetitive	\$ 0	\$ 400,000
<b>Total Sources</b>	<b>\$ 20,923,807</b>	<b>\$ 20,923,807</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,005,275
New Construction	\$ 13,240,000
Architectural Fees	\$ 500,000
Survey and Engineering	\$ 100,000
Construction Interest and Fees	\$ 1,278,033
Permanent Financing	\$ 25,000
Legal Fees	\$ 25,000
Reserves	\$ 250,577
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,394,000
Local Development Impact Fees	\$ 351,289
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 434,633
Developer Costs	\$ 2,310,000
<b>Total Uses</b>	<b>\$ 20,923,807</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:**

115 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$11,400,000 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]	0
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	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>115</b>