

**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: Chee Thao Yang*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**

**Tax-exempt:** \$13,000,000

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**Project Information:**

**Name:** Boyd Street Family Apartments  
**Project Address:** 811 Boyd Street  
**Project City, County, Zip Code:** Santa Rosa, Sonoma, 95407

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**Project Sponsor Information:**

**Name:** Santa Rosa Boyd Street LP (Johnson & Johnson Investments, LLC; Community Revitalization and Development Corporation)  
**Principals:** Daniel J. Johnson & Kendra L. Johnson for Johnson & Johnson Investments, LLC; David Rutledge & Fred Quigley for Community Revitalization and Development Corporation  
**Property Management Company:** Danco Property Management

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** Pacific Western Bank  
**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 31, 2019  
**TEFRA Adoption Date:** January 14, 2020

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 46  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

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Boyd Street Apartments is a new construction project located in Santa Rosa on a 1.91-acre site. The project consists of 45 restricted rental units and 1 unrestricted manager unit. The project will have 4 one-bedroom units, 30 two-bedroom units and 12 three-bedroom units. The building will be two-stories. Common amenities include a community building with a common kitchen, a gathering area, a fitness room, office spaces for onsite manager and resident services coordinator, restrooms, community laundry, storage, and covered outdoor porches. Other common amenities include a basketball/sport court, children's play structure and a garden area. Each unit will have central heating and air, blinds, carpet, ceiling fan, refrigerator, stove/oven, dishwasher and microwave. There will be 78 parking spaces provided. The construction is expected to begin ? (Month/Year) and be completed in January 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
13% (6 units) restricted to 50% or less of area median income households.  
87% (39 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:**

<b>Estimated Total Development Cost:</b>	\$ 22,168,516	
<b>Estimated Hard Costs per Unit:</b>	\$ 258,339	(\$11,883,608 /46 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 481,924	(\$22,168,516 /46 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 282,609	(\$13,000,000 /46 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 288,889	(\$13,000,000 /45 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 13,000,000	\$ 7,470,000
LIH Tax Credit Equity	\$ 5,046,707	\$ 12,402,023
County Funds	\$ 1,500,000	\$ 1,500,000
City of Santa Rosa	\$ 200,000	\$ 200,000
Solar Tax Credit Equity	\$ 22,140	\$ 110,700
Developer Note	\$ 2,399,669	\$ 485,793
<b>Total Sources</b>	<b>\$ 22,168,516</b>	<b>\$ 22,168,516</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,500,000
Relocation	\$ 56,905
New Construction	\$ 12,372,745
Contractor Overhead & Profit	\$ 1,389,105
Architectural Fees	\$ 650,000
Survey and Engineering	\$ 200,000
Construction Interest and Fees	\$ 911,656
Permanent Financing	\$ 15,000
Legal Fees	\$ 120,000
Reserves	\$ 174,378
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 690,938
Local Development Impact Fees	\$ 1,005,344
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 672,552
Developer Costs	\$ 2,399,893
<b>Total Uses</b>	<b>\$ 22,168,516</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:**

115.6 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$13,000,000 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	27
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	5
Gross Rents	5	5	5
Leveraging	10	10	9
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>115.6</b>