

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: Sarah Lester

Applicant: California Housing Finance Agency

Allocation Amount Requested: Tax-exempt: \$37,200,000

Project Information:

Name: Hayward Mission Family Apartments (MIP)
Project Address: 29497-29553 Mission Boulevard
Project City, County, Zip Code: Hayward, Alameda, 94544

Project Sponsor Information:

Name: Hayward Mission Meta, LP (Hayward Mission Meta, LLC and FFAH V Hayward Mission, LLC)
Principals: John Huskey, Kasey Burke, Aaron Mandel, Tim Soule Chris Maffris, Ross Ferrera and George Russo for Hayward Mission Meta, LLC; Deborah A. Willard, Jason Acosta and Darrin Willard for FFAHV Hayward Mission, LLC
Property Management Company: WSH Management

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: JPMorgan Chase Bank, N.A./California Community Reinvestment Corporation
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: October 3, 2019
TEFRA Adoption Date: November 4, 2019

Description of Proposed Project:

State Ceiling Pool: Mixed
Total Number of Units: 140
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Hayward Mission Family Apartments is a new construction project located in Hayward on a 2.2-acre site. The project will consist of 61 restricted rental units, 78 market rate units and 1 unrestricted manager unit. The project will have 43 one-bedroom units, 54 two-bedroom units and 42 three-bedroom units. The building will be five stories. Common amenities include management offices, a community room and outdoor courtyards. Each unit will have a refrigerator, range/oven, dishwasher and storage space. The project will include accessible units that will provide larger door openings, grab bars, wheel chair turnable spaces, removable cabinets at countertops for wheel chair knee and toe clearance and hand-held shower heads. Hearing and visually impaired units will receive visual fire alarm and doorbell warning systems, talking thermostats and strobe lights. There will be 101 parking spaces provided. Five parking stalls are ADA-accessible and two parking stalls are reserved for electric vehicle charge stations. The project will be pursuing GreenPoint Rated Program certification. Green features include high efficiency lighting; energy star labeled appliances; utilization of drought tolerant, non-invasive plants for landscaping; energy efficient windows, HVAC systems, and water heater boilers; and a solar thermal water heating system. The construction is expected to begin July 2020 and be completed in February 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 44%

19% (26 units) restricted to 50% or less of area median income households.

25% (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:	\$ 65,339,604	
Estimated Hard Costs per Unit:	\$ 243,127	(\$34,037,801 /140 units including mgr. unit)
Estimated per Unit Cost:	\$ 466,711	(\$65,339,604 /140 units including mgr. unit)
Allocation per Unit:	\$ 265,714	(\$37,200,000 /140 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 609,836	(\$37,200,000 /61 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 37,200,000	\$ 14,192,023
Taxable Bond Proceeds	\$ 15,800,000	\$ 12,250,000
Federal Tax Credit Equity	\$ 4,426,236	\$ 0
State Tax Credit Equity	\$ 1,485,000	\$ 0
CalHFA Mixed Income Program	\$ 0	\$ 5,000,000
Deferred Costs	\$ 6,428,368	\$ 4,341,401
LIHTC Tax Equity	\$ 0	\$ 29,556,180
Total Sources	\$ 65,339,604	\$ 65,339,604

Uses of Funds:	
Land Cost/Acquisition	\$ 6,027,489
New Construction	\$ 36,160,045
Contractor Overhead & Profit	\$ 1,441,904
Architectural Fees	\$ 1,118,025
Survey and Engineering	\$ 1,195,375
Construction Interest and Fees	\$ 4,475,564
Permanent Financing	\$ 240,876
Legal Fees	\$ 322,000
Reserves	\$ 595,038
Appraisal	\$ 8,800
Hard Cost Contingency	\$ 2,360,847
Local Development Impact Fees	\$ 3,311,725
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,483,746
Developer Costs	\$ 6,598,170
Total Uses	\$ 65,339,604

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:

92.4 out of 125 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$37,200,000 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	7
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	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	9
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	92.4