

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**April 14, 2020**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Sarah Lester*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$12,771,020

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**Project Information:**  
**Name:** Sequoia Commons II (fka Goshen Village East)  
**Project Address:** 31161 Florence Avenue  
**Project City, County, Zip Code:** Goshen, Tulare, 93291

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**Project Sponsor Information:**  
**Name:** To be formed, LP (Sequoia Commons II LLC)  
**Principals:** Thomas J. Collishaw  
**Property Management Company:** AWI Management Corporation

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Private Placement Purchaser:** U.S. Bank National Association/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:** December 16, 2019  
**TEFRA Adoption Date:** January 7, 2020

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**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 60  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

Sequoia Commons II Apartments is a new construction project located in Goshen on a 2.4-acre site. The project consists of 60 restricted rental units and 1 unrestricted manager unit. The project will have 20 one-bedroom units, 20 two-bedroom units and 20 three-bedroom units. The project will be comprised of ten (10) two-story residential buildings. Common amenities include a large community room with kitchen and bathrooms, computer lab, an outdoor common area, a playground, barbecue picnic area with tables, laundry facilities and management offices. Each unit will have a dishwasher, stove and refrigerator. There will be 83 parking spaces provided. The project will be pursuing Green Pont Rated Program requirements. Green features will include solar PV (to make the project grid neutral zero-net energy), Energy Star appliances, tree buffers for shading and drought tolerant plantings. The construction is expected to begin November 2020 and be completed in November 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (59 units) restricted to 50% 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>	\$ 22,404,955	
<b>Estimated Hard Costs per Unit:</b>	\$ 180,566	(\$10,833,963 /60 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 373,416	(\$22,404,955 /60 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 212,850	(\$12,771,020 /60 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 216,458	(\$12,771,020 /59 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,771,020	\$ 613,000
Taxable Bond Proceeds	\$ 5,984,070	\$ 0
LIH Tax Credit Equity	\$ 1,070,000	\$ 10,592,971
Land Donation (SHE)	\$ 150,000	\$ 150,000
Deferred Developer Fee	\$ 0	\$ 1,360,000
GP Equity	\$ 0	\$ 120,657
HCD MHP	\$ 0	\$ 9,568,327
<b>Total Sources</b>	<b>\$ 19,975,090</b>	<b>\$ 22,404,955</b>
<b>Uses of Funds:</b>		
Land Cost/Acquisition	\$ 350,000	
New Construction	\$ 14,575,000	
Contractor Overhead & Profit	\$ 875,000	
Architectural Fees	\$ 590,000	
Survey and Engineering	\$ 100,000	
Construction Interest and Fees	\$ 1,263,914	
Permanent Financing	\$ 10,000	
Legal Fees	\$ 165,000	
Reserves	\$ 134,911	
Appraisal	\$ 10,000	
Hard Cost Contingency	\$ 972,500	
Local Development Impact Fees	\$ 200,000	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 427,973	
Developer Costs	\$ 2,730,657	
<b>Total Uses</b>	<b>\$ 22,404,955</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:**

125 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$12,771,020 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]	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	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>125</b>