

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: Isaac Clark III

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt: \$47,622,526

Project Information: Name: Village Pointe
Project Address: 43650 Challenger Way
Project City, County, Zip Code: Lancaster, Los Angeles, 93535

Project Sponsor Information: Name: Village Pointe Community Partners, LP (WNC-Village Pointe GP, LLC / AHA High Desert MGP, LLC / Community Principals: Wilfred Cooper Jr, President & CEO for WNC-Village Pointe GP, LLC & Community Preservation Partners, LLC / Bill Salamandrakis, President for AHA High Desert MGP, LLC
Property Management Company: FPI Management, Inc.

Project Financing Information: Bond Counsel: Orrick, Herrington & Sutcliffe LLP
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: January 19, 2020
TEFRA Adoption Date: January 28, 2020

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 210
Manager's Units: 2 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Village Point is project located in Lancaster on a 16.12-acre sites. The entire project consists of 208 restricted rental units, 0 market rate units and 2 unrestricted managers' units. The entire project has 56 one-bedroom units, 90 two-bedroom units, 42 three-bedroom units and 20 four-bedroom units. The rehabilitation program will address health and safety issues, ADA, deferred maintenance, and energy efficiency when possible. Currently, the Developer is planning on replacing countertops and cabinetry in units, replacing flooring, replacing the windows, installing new refrigerators, ranges, range hoods, and dishwashers, reroofing, painting the exterior buildings, addressing parking lot deferred maintenance, site fencing, and replacing and upgrading building systems as necessary. The rehabilitation is expected to begin in April 2020 and be completed in February 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (208 units) restricted to 50% or less of area median income households.
0% (0 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 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:	\$ 84,424,910	
Estimated Hard Costs per Unit:	\$ 52,000	(\$10,920,032 /210 units including mgr. unit)
Estimated per Unit Cost:	\$ 402,023	(\$84,424,910 /210 units including mgr. unit)
Allocation per Unit:	\$ 226,774	(\$47,622,526 /210 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 228,954	(\$47,622,526 /208 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 47,622,526	\$ 32,658,136
Taxable Bond Proceeds	\$ 7,377,474	\$ 14,996,864
LIH Tax Credit Equity	\$ 15,394,354	\$ 25,657,256
Income from Operators	\$ 3,902,065	\$ 3,902,065
Deferred Developer Fee	\$ 8,693,506	\$ 5,860,589
Seller Carryback Loan	\$ 1,350,000	\$ 1,350,000
Total Sources	\$ 84,339,925	\$ 84,424,910

Uses of Funds:	
Land Cost/Acquisition	\$ 54,350,000
Rehabilitation	\$ 12,732,720
Relocation	\$ 157,500
Architectural Fees	\$ 135,660
Survey and Engineering	\$ 152,000
Construction Interest and Fees	\$ 4,736,771
Legal Fees	\$ 165,000
Reserves	\$ 912,000
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 1,348,272
Other Project Costs	\$ 286,898
Developer Costs	\$ 9,440,589
Total Uses	\$ 84,424,910

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:

135 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$47,622,526 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	20
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
Total Points	145	125	135