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 Housing Finance Agency			
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Allocation Amount Requested:				
Tax-exempt:	\$39,700,000			
Project Information:				
Name:	Santa Rosa Avenue Apartments			
Project Address:	2905 Santa Rosa Avenue			
Project City, County, Zip Code:	Santa Rosa, Sonoma, 95407			
Project Sponsor Information:				
Name:	2905 Santa Rosa Ave., L.P. (Corporation for Better Housing/Integrated			
Principals:	Lori Koester, Executive Director and Rob Tidd, Secretary for			
	Corporation for Better Housing. Benjamin Lingo, Manager/Principal and			
	Charles Brumbaugh, Manager/Principal of Integrated Community			
Property Management Company:	WinnResidential			
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:	January 3, 2020			
TEFRA Adoption Date:	January 22, 2020			
Description of Proposed Project:				
State Ceiling Pool:	Mixed Income			
Total Number of Units:	154			
Manager's Units:	2 Unrestricted			
Туре:	New Construction			
Population Served:	Family			

Santa Rosa Avenue Apartments is a new construction project located in Santa Rosa on a 3.84-acre site. The Project will provide area residents displaced by the wildfires of 2017, as well as the local workforce, with new family housing opportunities within a pedestrian-oriented neighborhood with access to transportation, job centers, retail, entertainment, parks and community services. The project consists of 137 restricted rental units, 15 market rate units and 2 unrestricted manager units. The project will have 60 one-bedroom units, 64 two-bedroom units and 30 three-bedroom units. The buildings consist of a five story new construction and a two story new construction. Common amenities include a pool and spa area, business center, fitness center, lounge area, recreational room and indoor bicycle storage facilities. Each unit will have a range, a frost-free refrigerator, an oven, a dishwasher, a garbage disposal, central heating and air conditioning. There are 244 parking spaces provided. Green features include carports which will host a photovoltaic solar array with a goal to meet Net Zero Energy standards. The construction is expected to begin August 2020 and be completed in February 2022.

90%

Description of Public Benefits:

Percent of Restricted Rental Units in the Project:

45% (69 units) restricted to 50% or less of area median income households.

45% (68 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2 & 3 bedrooms

The proposed project will not be receiving service amenity points.

		55 years			
Estimated Hard Costs per Unit: \$ 238,309 $(\$36,699,600$ /154 units including mgr. unit					
Estimated Hard Costs per Unit: \$ 238,309 (\$36,699,600 / 154 units including mgr. unit Allocation per Restricted Rental Unit: Sources of Funds: $462,852$ (\$71,279,140 / 154 units including mgr. unit 257,792 Nources of Funds: $257,792$ (\$39,700,000 / 154 units including mgr. unit 310,000 / 137 restricted units) Sources of Funds: $Construction$ Permanent Pacific Western Bank - Tax Exempt Bonds \$ 39,700,000 \$ 24,731,000 Cash Flow Permanent Bonds \$ 0 \$ 0 \$ 0 Pacific Western Bank - Tax Exempt Bonds \$ 0 \$ 0 \$ 30,700,000 Pacific Western Bank - Tax Exempt Bonds \$ 0 \$ 0 \$ 0.0 Pacific Western Bank - Tax Exempt Bonds \$ 0 \$ 0.0 \$ 24,731,000 Tax Credit Equity \$ 0 \$ 30,786,165 0 Pacific Western Bank - Tax Batter Equity \$ 0 \$ 30,786,165 0 O \$ 0 \$ 0 \$ 570,570 0 \$ 0 Util Tax Credit Equity \$ 0 \$ 30,786,165 0 \$ 0 Total Sources \$ 0 \$ 0 \$ 570,570 0 \$ 0 Itemized Public Funds Sources \$ 0 \$	\$	71,279,140			
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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:

90 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$39,700,000 in tax-exempt bond allocation.

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	15
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10.00
Large Family Units	5	5	0.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	0.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	10.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	145	125	90.00