

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
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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
	Type: 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.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 90%

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.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 71,279,140	
Estimated Hard Costs per Unit:	\$ 238,309	(\$36,699,600 /154 units including mgr. units)
Estimated per Unit Cost:	\$ 462,852	(\$71,279,140 /154 units including mgr. units)
Allocation per Unit:	\$ 257,792	(\$39,700,000 /154 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 289,781	(\$39,700,000 /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
Pacific Western Bank - Taxable Tail	\$ 16,750,000	\$ 8,350,000
Tax Credit Equity	\$ 7,359,644	\$ 1,500,000
LIH Tax Credit Equity	\$ 0	\$ 30,786,165
	0 \$ 0	\$ 570,570
	0 \$ 0	\$ 5,341,405
	0 \$ 0	\$ 0
	0 \$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
Total Sources	\$ 63,809,644	\$ 71,279,140

Uses of Funds:	
Land Cost/Acquisition	\$ 4,450,000
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 41,837,544
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 770,000
Survey and Engineering	\$ 726,000
Construction Interest and Fees	\$ 6,500,406
Permanent Financing	\$ 507,710
Legal Fees	\$ 295,000
Reserves	\$ 662,591
Appraisal	\$ 20,000
Hard Cost Contingency	\$ 2,091,877
Local Development Impact Fees	\$ 4,211,521
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,677,491
Developer Costs	\$ 7,529,000
Total Uses	\$ 71,279,140

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.

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	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