

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: Muri Bartkovsky

Applicant:	California Housing Finance Agency (CalHFA)	
Allocation Amount Requested:	Tax-exempt:	\$16,800,000
Project Information:	Name:	The Parkway Apartments
	Project Address:	SWC Blue Ravine Road & Oak Avenue Pkwy.
	Project City, County, Zip Code:	Folsom, Sacramento, 95630
Project Sponsor Information:	Name:	Folsom Pacific Associates, a California Limited Partnership (TPC
	Principals:	Caleb Roope, Manager of TPC Holdings VII, LLC. Mike Kelley, Manager of Kelly Ventures, LLC. Mark Wiese, President and Mat Eland, Chief Operations Officer of Pacific Housing, Inc.
	Property Management Company:	Aperto Property Management, Inc.
Project Financing Information:	Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
	Private Placement Purchaser:	California Bank and Trust
	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 2, 2020
	TEFRA Adoption Date:	January 22, 2020
Description of Proposed Project:	State Ceiling Pool:	Mixed Income
	Total Number of Units:	72
	Manager's Units:	1 Unrestricted
	Type:	New Construction
	Population Served:	Family

The Parkway Apartments is a new construction development in the city of Folsom, situated on a 10.14 acre site. The proposed development will be a 72-unit project with a mix of 18 one-bedroom units, 36 two-bedroom units and 18 three-bedroom units. The Parkway Apartments will provide affordable housing for families earning up to 80% of the area median income. There will be 5 three-story residential buildings and a one-story community building. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. The exterior combines stucco, horizontal lap siding, vertical hardie board and fiberglass shingle roofing. The community building will include an office, a maintenance room, a computer center, laundry facilities, an exercise room, a community room and a kitchen with an on-site manager office. The development includes a children's playground and plenty of centralized open space. All units will feature refrigerators, fans, dishwashers, garbage disposals, ranges with ovens, patio or balcony with storage and washer/dryer hook-ups. There are 148 parking spaces provided. The construction is expected to begin in September of 2020 and be completed in March of 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
73% (52 units) restricted to 50% or less of area median income households.
27% (19 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: \$ 28,923,242
Estimated Hard Costs per Unit: \$ 206,864 (\$14,894,220 /72 units including mgr. units)
Estimated per Unit Cost: \$ 401,712 (\$28,923,242 /72 units including mgr. units)
Allocation per Unit: \$ 233,333 (\$16,800,000 /72 units including mgr. units)
Allocation per Restricted Rental Unit: \$ 236,620 (\$16,800,000 /71 restricted units)

Sources of Funds:	Construction	Permanent
California Bank & Trust - Const. Loan (T.E. Bonds)	\$ 16,800,000	\$ 6,800,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
0	\$ 0	\$ 0
City of Folsom - Aff. Hsg. Loan	\$ 4,680,000	\$ 4,680,000
LIH Tax Credit Equity	\$ 0	\$ 12,891,697
County of Sacramento - Fee Waiver	\$ 121,545	\$ 121,545
Pacific West Communities, Inc. - DDF	\$ 3,473,533	\$ 1,080,000
Folsom Pacific Assoc. - Def. Costs	\$ 292,651	\$ 0
Boston Capital - LIHTC Equity	\$ 1,355,513	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
California Bank & Trust Const. Loan (Taxable Bonds)	\$ 2,200,000	\$ 3,350,000
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Total Sources	\$ 28,923,242	\$ 28,923,242

Uses of Funds:	
Land Cost/Acquisition	\$ 1,253,216
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 17,228,410
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 450,000
Survey and Engineering	\$ 195,000
Construction Interest and Fees	\$ 1,306,250
Permanent Financing	\$ 221,500
Legal Fees	\$ 60,000
Reserves	\$ 292,651
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 980,000
Local Development Impact Fees	\$ 2,352,233
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,100,449
Developer Costs	\$ 3,473,533
Total Uses	\$ 28,923,242

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 and presented the information to CDLAC's Executive Director. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points:

85 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$16,800,000 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	5.00
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	10.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	0.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	145	125	85.00