

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 (CalHFA)
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Allocation Amount Requested:	Tax-exempt: \$17,000,000
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Project Information:	Name: Frishman Hollow II
	Project Address: 11026 Rue Ivy
	Project City, County, Zip Code: Truckee, Nevada, 96161

Project Sponsor Information:	Name: Central Valley Coalition for Affordable Housing, a California Nonprofit
	Principals: Caleb Roope for TPC Holdings VII, LLC. Alan Jenkins - President; Sid McIntyre - Vice President; Steve Simmons - Vice President; Christina Alley - Chief Executive Officer; Jennifer Bertuccio - Chief Operations Officer & Secretary; Renee Downum - Treasurer for Central Valley Coalition for Affordable Housing
	Property Management Company: Cambridge Real Estate Services

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 3, 2020
	TEFRA Adoption Date: January 22, 2020

Description of Proposed Project:	State Ceiling Pool: Mixed Income
	Total Number of Units: 68
	Manager's Units: 1 Unrestricted
	Type: New Construction
	Population Served: Family

Frishman Hollow II Apartments is a new construction project located in Truckee on a 4.87-acre site. The project is phase two of a two-phase development and is nestled in a deeply forested setting which enjoys year-around recreational opportunities and is bordered by National Forest lands. The project consists of 67 restricted rental units, 1 market rate unrestricted manager unit. The project will have 12 one-bedroom units, 24 two-bedroom units and 20 three-bedroom units. There will be two buildings each two-stories. Common amenities include a computer room, a community laundry room, an outdoor centrally located children's playground and a covered picnic area. Additionally, there is a community office, a learning center and community kitchen. An on-site resident manager will provide assistance and management while residing in a two-bedroom unit. Each unit will have a refrigerator, range with oven and dishwasher. There are 136 parking spaces provided, including 68 covered spaces. The construction is expected to begin September 2020 and be completed in March 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

49% (33 units) restricted to 50% or less of area median income households.

51% (34 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 1, 2 & 3 bedroo

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:	\$ 29,750,365	
Estimated Hard Costs per Unit:	\$ 225,332	(\$15,322,580 /68 units including mgr. units)
Estimated per Unit Cost:	\$ 437,505	(\$29,750,365 /68 units including mgr. units)
Allocation per Unit:	\$ 250,000	(\$17,000,000 /68 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 253,731	(\$17,000,000 /67 restricted units)

Sources of Funds:	Construction	Permanent
California Bank & Trust - Const. Loan (T.E. Bonds)	\$ 17,000,000	\$ 5,800,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
0	\$ 0	\$ 0
Pacific West Communities, Inc. - DDF	\$ 3,568,529	\$ 1,360,000
LIH Tax Credit Equity	\$ 0	\$ 15,133,836
Alder Pacific Assoc. II - Def. Costs	\$ 614,662	\$ 2,000,000
Boston Capital - LIHTC Equity	\$ 1,567,174	\$ 1,068,529
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
California Bank & Tryst-Const. Loan (Taxable Bonds)	\$ 7,000,000	\$ 4,388,000
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Total Sources	\$ 29,750,365	\$ 29,750,365

Uses of Funds:	
Land Cost/Acquisition	\$ 1,360,000
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 17,691,290
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 700,000
Survey and Engineering	\$ 190,000
Construction Interest and Fees	\$ 1,528,100
Permanent Financing	\$ 288,880
Legal Fees	\$ 100,000
Reserves	\$ 614,662
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,000,000
Local Development Impact Fees	\$ 1,240,806
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,458,098
Developer Costs	\$ 3,568,529
Total Uses	\$ 29,750,365

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:

76 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$17,000,000 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]	3.60
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	7.50
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	76.10