

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: CalHFA

Allocation Amount Requested: Tax-exempt: \$26,466,000

Project Information: Name: Arden Way Apartments
Project Address: 880, 924, 936 Arden Way
Project City, County, Zip Code: Sacramento, Sacramento, 95815

Project Sponsor Information: Name: Community HousingWorks (Boxwood Street Housing LLC)
Principals: Mary Jane Jagodzinski, Senior Vice President and Susan M. Reynolds,
President & CEO of Boxwood Street Housing LLC.
Property Management Company: ConAm Management

Project Financing Information: Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: US 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: 120
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Arden Way Apartments is a new construction project in Sacramento on a 2.7-acre site. The project consists of 119 restricted rental units and 1 unrestricted manager unit. The project will have 42 one-bedroom units, 35 two-bedroom units and 33 three-bedroom units. The structures will be two, four-story buildings. Common amenities include computer learning centers, a community area which includes a kitchen and restrooms. Additionally, the buildings include a children's play area, a barbeque, a resident organic garden and a swimming pool. Each unit will have energy efficient appliances including dishwashers. There are 170 parking spaces provided. Green features include Energy-Star appliances, including dishwashers and garbage disposals, dual-pane windows, domestic solar hot water heating, and high efficiency lighting. Low-flow plumbing fixtures will reduce water use. Landscape architecture is designed to reduce the development's water supply by using drought tolerant and native and naturalized plants. 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: 100%

12% (14 units) restricted to 50% or less of area median income households.

88% (105 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:	\$ 44,010,536	
Estimated Hard Costs per Unit:	\$ 211,878	(\$25,425,301 /120 units including mgr. units)
Estimated per Unit Cost:	\$ 366,754	(\$44,010,536 /120 units including mgr. units)
Allocation per Unit:	\$ 220,550	(\$26,466,000 /120 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 222,403	(\$26,466,000 /119 restricted units)

Sources of Funds:	Construction	Permanent
US Bank Tax Exempt Construction Loan	\$ 26,466,000	\$ 10,750,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
0	\$ 0	\$ 0
CHW (CDLAC Deposit)	\$ 100,000	\$ 100,000
LIH Tax Credit Equity	\$ 0	\$ 24,529,082
Costs Deferred Until Completion	\$ 2,733,624	\$ 1,913,122
Deferred Developer Fee	\$ 1,913,122	\$ 1,070,920
LP Equity (net)	\$ 2,267,148	\$ 0
0	\$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
US Bank Tax Exempt Construction Loan	\$ 12,493,230	\$ 7,610,000
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Total Sources	\$ 45,973,124	\$ 45,973,124

Uses of Funds:	
Land Cost/Acquisition	\$ 1,297,333
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 28,925,800
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 1,411,035
Survey and Engineering	\$ 418,000
Construction Interest and Fees	\$ 3,457,261
Permanent Financing	\$ 233,731
Legal Fees	\$ 135,000
Reserves	\$ 370,685
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 2,184,435
Local Development Impact Fees	\$ 496,336
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 0
Developer Costs	\$ 5,070,920
Total Uses	\$ 44,010,536

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:

106.70 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$26,466,000 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]	6.70
Large Family Units	5	5	5.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	5.00
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	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	106.70