

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

Allocation Amount Requested: Tax-exempt: \$18,526,332

Project Information:
Name: Fancher Creek Senior Apartments
Project Address: NE Corner of N. Tulare St & N. Argyle Av
Project City, County, Zip Code: Fresno, Fresno, 93727

Project Sponsor Information:
Name: FCTC Senior, LP (Dominus Consortium, LLC/Community Revitalization
Principals: David Rutledge, President, Shelby Marocco, Secretary & Mike Dahl, Treasurer of Comm. Revitalization & Dev. Corp. Thomas G. Richards, President of ESSAYONS, LP. Edward M. Kashia, CEO & Sal Gonzales, President of NEGOCIOS DE FAMILIA, LLC.
Property Management Company: GFI Properties, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Bank of the West
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: 180
Manager's Units: 2 Unrestricted
Type: New Construction
Population Served: Senior

Fancher Creek Senior Apartments will be constructed on 2 acres of bare land in the city of Fresno. The 178 units will be at 50%, 60% and 82% AMI levels. The residential buildings on each side of the community building will be 3-stories tall and serviced by an elevator in each, along with stairs. The community building will be a 1-story. Exteriors will be standard stucco and the roof will have Spanish tiles. The project will have 144 one-bedroom and 36 two-bedroom units with 2 unrestricted two-bedroom manger units. All units will feature window blinds throughout, energy efficient heating and air conditioning, microwave oven, dishwasher, refrigerator, range and garbage disposals. There will be on-site management, a community room, exercise room, computer room, community laundry facilities, elevators and Wi-Fi Service at no cost to tenants. Fancher Creek Senior Apartments is expected to start construction July 2020 with completion expected in July of 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
30% (54 units) restricted to 50% or less of area median income households.
70% (124 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 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:	\$ 31,848,797	
Estimated Hard Costs per Unit:	\$ 98,637	(\$17,754,640 /180 units including mgr. units)
Estimated per Unit Cost:	\$ 176,938	(\$31,848,797 /180 units including mgr. units)
Allocation per Unit:	\$ 102,924	(\$18,526,332 /180 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 104,081	(\$18,526,332 /178 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Bank of the West	\$ 18,526,332	\$ 8,808,815
Cash Flow Permanent Bonds	\$ 0	\$ 0
0	\$ 0	\$ 0
Deferred Developer Fee	\$ 3,403,000	\$ 1,420,500
LIH Tax Credit Equity	\$ 0	\$ 13,105,541
Investor's Equity	\$ 2,621,108	\$ 4,500,000
City of Fresno CDBG	\$ 2,259,784	\$ 1,754,157
City of Fresno HOME	\$ 1,420,500	\$ 0
0	\$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
Bank of the West (taxable tranche)	\$ 3,618,073	\$ 2,259,784
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Total Sources	\$ 31,848,797	\$ 31,848,797

Uses of Funds:	
Land Cost/Acquisition	\$ 2,250,000
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 20,077,826
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 550,000
Survey and Engineering	\$ 75,000
Construction Interest and Fees	\$ 1,570,792
Permanent Financing	\$ 244,100
Legal Fees	\$ 185,000
Reserves	\$ 469,050
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 996,535
Local Development Impact Fees	\$ 981,567
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,030,927
Developer Costs	\$ 3,403,000
Total Uses	\$ 31,848,797

Analyst Comments:

None

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:

100 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,526,332 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	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	100.00