

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 16, 2020**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by: Isaac Clark III*

<b>Applicant:</b>	<b>California Housing Finance Agency</b>		
<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b>	\$10,219,444	
<b>Project Information:</b>	<b>Name:</b>	<b>Worthington Del Sol Family Apartments</b>	
	<b>Project Address:</b>	605 W Worthington Road	
	<b>Project City, County, Zip Code:</b>	Imperial, Imperial, 92251	
<b>Project Sponsor Information:</b>	<b>Name:</b>	CRP Worthington Del Sol Family Apartments LP (CRP Worthington Del Sol Family Apartments LP)	
	<b>Principals:</b>	CRP Worthington Del Sol Family Apartments AGP LLC / MAAC Worthington Del Sol Family Apartments MGP LLC	
	<b>Property Management Company:</b>	Metropolitan Area Advisory Committee on Anti Poverty of San Diego County, Inc.	
<b>Project Financing Information:</b>	<b>Bond Counsel:</b>	Orrick, Herrington & Sutcliffe LLP	
	<b>Private Placement Purchaser:</b>	Citibank, N.A.	
	<b>Cash Flow Permanent Bond:</b>	Not Applicable	
	<b>Public Sale:</b>	Not Applicable	
	<b>Underwriter:</b>	Not Applicable	
	<b>Credit Enhancement Provider:</b>	Not Applicable	
	<b>Rating:</b>	Not Applicable	
<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b>	General	
	<b>Total Number of Units:</b>	48	
	<b>Manager's Units:</b>	1 Unrestricted	
	<b>Type:</b>	New Construction	
	<b>Population Served:</b>	Family	

Worthington Del Sol Apartments is a new construction project located in Imperial. The project consists of 47 restricted rental units, and 1 unrestricted manager unit. The project will have 30 two- bedroom units and 18 three-bedroom units. There will be 40 covered and 29 uncovered surface parking spaces. The Community Building will be constructed with an outdoor patio area and a covered courtyard for gatherings, events, and meetings. A fenced and covered tot lot play area for children is located within the central courtyard. The community area includes a community room, a computer lounge, lobby, lounge area, leasing offices, and restrooms. The project will provide solar photo-voltaic systems atop all carports as well as roof top solar water heating. The construction is expected to begin December 2020 and be completed in December 2021.

### Description of Public Benefits:

<b>Percent of Restricted Rental Units in the Project:</b>	100%
<u>43%</u> (20 units) restricted to 50% or less of area median income households.	
<u>57%</u> (27 units) restricted to 60% or less of area median income households.	
<b>Unit Mix:</b>	2 & 3 bedrooms

The proposed project will be receiving service amenity points.

### Term of Restrictions:

<b>Income and Rent Restrictions:</b>	55 years
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### Details of Project Financing:

<b>Estimated Total Development Cost:</b>	\$	18,068,607	
<b>Estimated Hard Costs per Unit:</b>	\$	165,836	(\$7,960,145 /48 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$	376,429	(\$18,068,607 /48 units including mgr. units)
<b>Allocation per Unit:</b>	\$	212,905	(\$10,219,444 /48 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$	217,435	(\$10,219,444 /47 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 10,219,444	\$ 15,000
Taxable Bond Proceeds	\$ 5,627,177	\$ 1,589,572
LIH Tax Credit Equity	\$ 919,396	\$ 6,129,308
Income from Operatons	\$ 0	\$ 80,900
Deferred Developer Fee	\$ 1,302,590	\$ 35,612
California AHSC	\$ 0	\$ 10,000,000
Capital Contribution (GP)	\$ 0	\$ 218,215
<b>Total Sources</b>	<b>\$ 18,068,607</b>	<b>\$ 18,068,607</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,522,368
New Construction	\$ 8,824,402
Contractor Overhead & Profit	\$ 835,663
Architectural Fees	\$ 755,000
Survey and Engineering	\$ 441,116
Construction Interest and Fees	\$ 979,683
Permanent Financing	\$ 53,963
Legal Fees	\$ 240,000
Reserves	\$ 109,742
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 629,201
Local Development Impact Fees	\$ 570,356
Other Project Costs	\$ 914,966
Developer Costs	\$ 2,182,147
<b>Total Uses</b>	<b>\$ 18,068,607</b>

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**Analyst Comments:**

None

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**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.

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**Total Points:**

125 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$10,219,444 in tax-exempt bond allocation on a carryforward basis.

**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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>125</b>