

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

Applicant:	California Housing Finance Agency
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Allocation Amount Requested:	Tax-exempt: \$22,682,424
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Project Information:	Name: Healdsburg Scattered Site
	Project Address: 1689 Canyon Run; 1302 Prentice Dr; 531 University St; 500 Piper Street
	Project City, County, Zip Code: Healdsburg, Sonoma, 95448

Project Sponsor Information:	Name: Monte Vista, LP (Monte Vina, LLC)
	Principals: Monte Vista, LP (Monte Vina, LLC)
	Property Management Company: Burbank Housing Management Corporation

Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP
	Private Placement Purchaser: U.S. Bank National Association
	Cash Flow Permanent Bond: Not Applicable
	Public Sale: Not Applicable
	Underwriter: Not Applicable
	Credit Enhancement Provider: Not Applicable
	Rating: Not Applicable

Description of Proposed Project:	State Ceiling Pool: Rural
	Total Number of Units: 90
	Manager's Units: 2 Unrestricted
	Type: Acquisition and Rehabilitation
	Population Served: Family

The Healdsburg Scattered Site is an affordable housing development in Healdsburg comprised of four separate sites: Canyon Run (1689 Canyon Run), Monte Vina (1302 Prentice Drive), Piper Apartments (500 Piper Street), and University Apartments (531-535 University Street). The entire project consists of 76 restricted rental units, 12 market rate units and 2 unrestricted managers' units. The entire project has 9 studio units, 23 one-bedroom units, 31 two-bedroom units, 21 three-bedroom units and 6 four-bedroom units. The Healdsburg Scattered Site project features several site amenities spread across the four properties: Canyon Run has a community building (containing a community room, kitchen, a manager's office, men's and women's bathrooms, and a laundry room). There is a children play area and common area for outdoor gatherings. Renovations will include the replacement of current appliances with new, Energy Star rated units, new high-efficiency water heaters and improved insulation (mix of roof, wall, and floor depending on the property). The rehabilitation is expected to begin in February 2021 and be completed in February 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 86%
39% (34 units) restricted to 50% or less of area median income households.
48% (42 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 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:	\$ 43,612,803	
Estimated Hard Costs per Unit:	\$ 39,066	(\$3,515,983 /90 units including mgr. units)
Estimated per Unit Cost:	\$ 484,587	(\$43,612,803 /90 units including mgr. units)
Allocation per Unit:	\$ 252,027	(\$22,682,424 /90 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 298,453	(\$22,682,424 /76 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 22,682,424	\$ 6,428,000
Tranche B Financing	\$ 0	\$ 650,000
LIH Tax Credit Equity	\$ 0	\$ 13,080,780
Deferred Developer Fee	\$ 2,299,137	\$ 2,299,137
Costs Deferred Until Conversion	\$ 1,791,028	\$ 0
Seller Carryback Loan	\$ 9,469,865	\$ 9,469,865
City of Healdsburg Loan	\$ 3,993,946	\$ 3,993,946
GP Loan-Reach for Home (HEAP)	\$ 1,007,000	\$ 1,007,000
Assumed/Deferred Interest	\$ 220,299	\$ 220,299
Capital Contribution (GP)	\$ 100	\$ 100
Sonoma Co. CDC HOME/CDBG	\$ 865,556	\$ 865,556
CalHFA School Fac. Fee Reim. Program	\$ 108,120	\$ 108,120
Sponsor Loan	\$	\$ 5,490,000
Capital Contribution (LP)	\$ 1,175,328	\$ 0
Total Sources	\$ 43,612,803	\$ 43,612,803

Uses of Funds:	
Land Cost/Acquisition	\$ 22,300,000
Rehabilitation	\$ 11,096,743
Relocation	\$ 711,717
Architectural Fees	\$ 353,400
Construction Interest and Fees	\$ 1,991,745
Permanent Financing	\$ 88,085
Legal Fees	\$ 140,000
Reserves	\$ 471,628
Appraisal	\$ 16,000
Hard Cost Contingency	\$ 1,313,046
Other Project Costs	\$ 331,302
Developer Costs	\$ 4,799,137
Total Uses	\$ 43,612,803

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:

135 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$22,682,424 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
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
Total Points	145	125	135