

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 9, 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:	\$10,585,186	
Project Information:	Name:	The Calms at Burgess Point	
	Project Address:	91 Riverview Terrace	
	Project City, County, Zip Code:	Benicia, Solano, 94510	
Project Sponsor Information:	Name:	Calms at Burgess Point, LP (Benicia Calms, LLC)	
	Principals:	Don F Harris, Executive Director for Benicia Calms, LLC	
	Property Management Company:	John Stewart Company	
Project Financing Information:	Bond Counsel:	Orrick, Herrington & Sutcliffe LLP	
	Private Placement Purchaser:	ORIX Real Estate Capital, LLC/R4 Capital Funding	
	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:	General	
	Total Number of Units:	56	
	Manager's Units:	1 Unrestricted	
	Type:	Acquisition and Rehabilitation	
	Population Served:	Family	

The Calms at Burgess Point project is located in Benicia. The entire project consists of 55 restricted rental units and 1 unrestricted manager unit. The entire project has 12 one-bedroom units, 24 two-bedroom units and 20 three-bedroom units. The project will incorporate 94 total parking spaces into the development with surface parking and 4 parking spaces will be ADA accessible spaces. Community amenities include a community room, common areas, after school program, adult educational classes, laundry, and playground. Unit renovations will include modern bathrooms and kitchens, including appliances. The rehabilitation is expected to begin in January 2021 and be completed in January 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project:	100%
<u>29%</u> (16 units) restricted to 50% or less of area median income households.	
<u>71%</u> (39 units) restricted to 60% or less of area median income households.	
Unit Mix:	1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions:	55 years
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Details of Project Financing:

Estimated Total Development Cost:	\$	20,783,553	
Estimated Hard Costs per Unit:	\$	65,702	(\$3,679,335 /56 units including mgr. unit)
Estimated per Unit Cost:	\$	371,135	(\$20,783,553 /56 units including mgr. unit)
Allocation per Unit:	\$	189,021	(\$10,585,186 /56 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	192,458	(\$10,585,186 /55 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,485,000	\$ 6,485,000
Tax Exempt Bridge Loan - R4	\$ 4,100,186	\$ 0
LIH Tax Credit Equity	\$ 1,261,339	\$ 6,306,696
Deferred Developer Fee	\$ 0	\$ 751,894
Costs Deferred Until Conversion	\$ 1,697,065	\$ 0
Seller Carryback Loan	\$ 4,595,223	\$ 4,595,223
HACB Consolidated Loan	\$ 2,399,625	\$ 2,399,625
Acquired Project Reserves	\$ 245,115	\$ 245,115
Total Sources	\$ 20,783,553	\$ 20,783,553

Uses of Funds:	
Land Cost/Acquisition	\$ 10,800,000
Rehabilitation	\$ 3,899,896
Relocation	\$ 1,170,000
Contractor Overhead & Profit	\$ 291,200
Architectural Fees	\$ 350,000
Construction Interest and Fees	\$ 509,629
Permanent Financing	\$ 64,876
Legal Fees	\$ 105,000
Reserves	\$ 166,985
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 719,110
Other Project Costs	\$ 477,677
Developer Costs	\$ 2,219,180
Total Uses	\$ 20,783,553

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 150 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$10,585,186 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	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)	0	0	0
Total Points	150	130	135