

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: Ken Otrotsyuk

Applicant:	California Municipal Finance Authority		
Allocation Amount Requested:	Tax-exempt:	\$12,375,000	
Project Information:	Name:	Casa Manana	
	Project Address:	3700 North Sutter Street	
	Project City, County, Zip Code:	Stockton, San Joaquin, 95204	
Project Sponsor Information:	Name:	Casa Manana Inn, L.P. (Domus GP LLC & Stockton YMI Elderly Housing)	
	Principals:	Jong C. Limb, Monique Hastings for Domus GP LLC; Chuck Aztozqui, Mark Cunningham, Bill Corder for Stockton YMI Elderly Housing	
	Property Management Company:	Domus Management Company	
Project Financing Information:	Bond Counsel:	Jones Hall, A Professional Law Corporation	
	Private Placement Purchaser:	Citibank, N.A.	
	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:	Preservation Pool	
	Total Number of Units:	163	
	Manager's Units:	2 Unrestricted	
	Type:	Acquisition and Rehabilitation	
	Population Served:	Senior Citizens	

Casa Manana is an existing project located in Stockton on a 2.42-acre site. The project consists of 161 restricted rental units, 0 market rate units and 2 unrestricted managers' units. The project has 137 SRO/Studio units and 24 one-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of roof replacements. Interior renovations will include a HVAC system replacement, plumbing and electrical systems upgrades. Individual apartment units will be updated with HVAC units, plumbing and electrical systems and fire suppression system. Lastly, common or site area renovations will consist of handicap accessibility features installations, asphalt pavement replacements, driveways replacements, sidewalks replacements, curbs replacements, steps replacements and irrigation system partially replacements. The rehabilitation is expected to begin in April 2021 and be completed in October 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (161 units) restricted to 50% or less of area median income households.
0% (0 units) restricted to 60% or less of area median income households.
Unit Mix: Studio & 1 bedroom

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:	\$	22,015,054	
Estimated Hard Costs per Unit:	\$	50,236	(\$8,188,500 /163 units including mgr. units)
Estimated per Unit Cost:	\$	135,062	(\$22,015,054 /163 units including mgr. units)
Allocation per Unit:	\$	75,920	(\$12,375,000 /163 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	76,863	(\$12,375,000 /161 restricted units)
Sources of Funds:			
		Construction	Permanent
Tax-Exempt Bond Proceeds	\$	12,375,000	\$ 1,450,000
LIH Tax Credit Equity	\$	2,907,296	\$ 5,864,592
Deferred Developer Fee	\$	0	\$ 90,462
Deferred Costs	\$	567,758	\$ 0
Seller Carryback Loan	\$	5,760,000	\$ 5,760,000
City of Stockton	\$	405,000	\$ 450,000
HCD - MHP	\$	0	\$ 8,400,000
Total Sources	\$	22,015,054	\$ 22,015,054
Uses of Funds:			
Land Cost/Acquisition	\$	5,810,000	
Rehabilitation	\$	8,992,882	
Relocation	\$	500,000	
New Construction	\$	0	
Contractor Overhead & Profit	\$	520,555	
Architectural Fees	\$	337,315	
Survey and Engineering	\$	195,000	
Construction Interest and Fees	\$	1,163,788	
Permanent Financing	\$	22,000	
Legal Fees	\$	90,000	
Reserves	\$	676,262	
Appraisal	\$	10,000	
Hard Cost Contingency	\$	1,076,144	
Local Development Impact Fees	\$	0	
Other Project Costs (Soft Costs, Marketing, etc.)	\$	634,417	
Developer Costs	\$	1,986,691	
Total Uses	\$	22,015,054	

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 \$12,375,000 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
Large Family Units	5	5	0.00
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	135.00