

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 21, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Anthony Wey

Applicant:	California Municipal Finance Authority		
Allocation Amount Requested:	Tax-exempt:	\$16,450,000	
Project Information:	Name:	Butterfly Gardens	
	Project Address:	784 W Holland Ave.	
	Project City, County, Zip Code:	Clovis, Fresno, 93612	
Project Sponsor Information:	Name:	UPH Butterfly Gardens LP (UPH Butterfly Gardens LLC / Self Help Enterprises)	
	Principals:	Cullen J. Davis and Jessica Hoff Berzac for UPH Butterfly Gardens LLC; Thomas J. Collishaw for Self-Help Enterprises	
	Property Management Company:	UPA, LLC and A.W.I. Property Management	
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:	General New Construction Pool	
	Total Number of Units:	75	
	Manager's Units:	2 Unrestricted	
	Type:	New Construction	
	Population Served:	Family/Special Needs	

Butterfly Gardens is a new construction project located in Clovis, CA (1.82)-acre site. The project consists of 73 restricted rental units and 2 unrestricted managers' units. The project will have 75 one-bedroom units. The building will be 3 stories. Common amenities include a computer room, laundry room, fitness area, property management office, community room, service meeting rooms, and other tenant-focused amenities. The construction is expected to begin March 2021 and be completed in May 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project:	100%
<u>100%</u> (73 units) restricted to 50% or less of area median income households.	
<u>0%</u> (0 units) restricted to 60% or less of area median income households.	
Unit Mix:	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:	\$ 29,486,246	
Estimated Hard Costs per Unit:	\$ 262,061	(\$19,654,565 /75 units including mgr. units)
Estimated per Unit Cost:	\$ 393,150	(\$29,486,246 /75 units including mgr. units)
Allocation per Unit:	\$ 219,333	(\$16,450,000 /75 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 225,342	(\$16,450,000 /73 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 16,450,000	\$ 2,750,000
Taxable Bond Proceeds	\$ 8,550,000	\$ 0
LIH Tax Credit Equity	\$ 1,293,527	\$ 12,869,524
Deferred Developer Fee	\$ 0	\$ 966,722
Impact fee reduction (Clovis) (public fund)	\$ 0	\$ 300,000
Solar Tax Credits	\$ 0	\$ 100,000
Award (County of Fresno Dep. Of Behavioral Health	\$ 3,500,000	\$ 3,500,000
NPLH (Public Fund)	\$ 0	\$ 9,000,000
Total Sources	\$ 29,793,527	\$ 29,486,246

Uses of Funds:	
Land Cost/Acquisition	\$ 437,500
New Construction	\$ 18,445,053
Contractor Overhead & Profit	\$ 1,209,512
Architectural Fees	\$ 416,000
Survey and Engineering	\$ 85,000
Construction Interest and Fees	\$ 1,275,000
Permanent Financing	\$ 35,000
Legal Fees	\$ 95,000
Reserves	\$ 515,140
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 1,002,728
Local Development Impact Fees	\$ 1,375,313
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,437,500
Developer Costs	\$ 3,150,000
Total Uses	\$ 29,486,246

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:

120 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$16,450,000 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	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10.00
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	120.00