CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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A G E N D A

Wednesday December 21, 2020

TIME:
11:00 AM

Jesse Unruh Building
915 Capitol Mall, Room 587
Sacramento, CA 95814

***Via Phone*:**	**(888) 557-8511**	**Participant Code: 5651115**
***Via Zoom*:**	**Meeting ID: 871 6682 3814**	**Passcode: 199276**

OPEN SESSION

1. Call to Order and Roll Call

2. Approval of the Minutes of the November 23, 2020 Meeting (Action Item)

3. Executive Director's Report

4. Consideration and Adoption of 2021 CDLAC Meeting Schedule (Action Item)

5. Consideration and Approval CDLAC Regulation (Action Item)

6. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects and Awards of Allocation from the December 9, 2020 Allocation Meeting (Action Item)

    a. Consideration of appeals*

7. Consideration of Applications for an Allocation of the Re-Apportioned $600 million Reverted from the Xpress West train project and the Remaining 2020 Volume Cap of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential

Rental Projects and Awards of Allocation (Action Item)

8. Consideration of Staff's Recommendation to Transfer and Award Unused 2020 Allocation to Issuers (Action Item)

9. Public Comment

10. Adjournment

FOR ADDITIONAL INFORMATION:
Judith Blackwell, Executive Director
California Debt Limit Allocation Committee
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The Agenda is also available on our website: http://www.treasurer.ca.gov/cdlac

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AGENDA ITEM 2

Approval of

November 23, 2020 Minutes

DRAFT

California Debt Limit Allocation Committee
Jesse Unruh Building
915 Capitol Mall, #587
Sacramento, CA 95814
November 23, 2020
Meeting Minutes

OPEN SESSION

1. Call to Order and Roll Call

State Treasurer Fiona Ma called the California Debt Limit Allocation Committee (CDLAC) meeting to order at 1:30 p.m.

Members Present:	Fiona Ma, CPA, State Treasurer
	Gayle Miller for Gavin Newsom, Governor
	Anthony Sertich for Betty T. Yee, State Controller
	Tia Boatman Patterson, California Housing Finance Agency

Treasurer Ma: It is November 23, 2020 at 1:32. We are calling the California Debt Limit Allocation Committee to order. We are meeting at the Jesse Unruh Building, 915 Capitol Mall, Room 587, in Sacramento, and also virtually. Who's reading the phone script?

Richard Fischer: I am. Richard read the phone script.

Treasure Ma: Thank you, Richard. Anthony, please call the roll.

1. Roll call was taken.

Treasurer Ma: We've got a quorum. So, we are going to make it kind of easy today, I think. Folks, for everyone on the phone, I know how much you all love to have four-hour meetings, so we're going to give you all a break. So, Judith.

2. Consideration of Recipients of a CDLAC Allocation Award on April 14, 2020 Extension Requests. (Action Item)

Judith Blackwell: Hello. Today we are considering 12 requests to give a second extension. With regard to each of these requests we are thinking of assigning negative points to those that are granted an extension today but not able to close by the extended date. We also want to give a grace period to the applicants to decide by Wednesday of next week by the close of business at 5:00. If you don't want the extension, then you can return it without negative points. That would be my suggestion.

Treasurer Ma: And the performance deposit.

Judith Blackwell: Yes. And the performance deposit as well.

Treasurer Ma: Okay. So, Board members, I know we can assess negative points up to two years on each developer. I don't support that. I would support either negative points for a year or not allowing these 12 applicants to resubmit in 2021 if they are granted an extension and not able to fulfill their commitment. They would have to wait until 2022 to resubmit. Because we have a competitive pool right now, we just can't keep giving four or five extensions. I think we've been extremely flexible all year long because of COVID. For example, in April, we decided to give an automatic extension to December 1st. Those that could not make it are supposed to come back to this meeting and ask for an extension with a time certain date. So, the 12 applicants have come back with time certain dates, but I think in order for us to make sure that they're really going to use it is: Number one, if they don't close by that date, then we will keep their performance deposit, and number two, we will either assess negative points or disallow them from applying in 2021. So, what is the Board's thoughts on this?

Anthony Sertich: I agree with the general sentiment that these projects have already had a free month and a half extension and giving them another free extension under a competitive round is problematic, especially because there were several very qualified projects that did not get funded earlier this year. I think we want to make sure that we fund as many projects that meet the regulations. It has been a tough year. So, I totally understand that there's issues. But part of that is we did give them, these projects, the opportunity to not lose their performance deposit if they do return their funds. So, I am fine with the plan of negative points which is pretty punitive, so that probably means most of these applicants will return the funds so that they don't receive negative points. I think at the very least, though, we should require a forfeiture of the performance deposit if we're going to give any extension. So, I was going to recommend something along the same lines you did, which is at least they have to give something up to get this extension. But I would like to hear what Ms. Miller has to say about it.

Gayle Miller: Madam Chair, may I?

Treasurer Ma: Yes.

Gayle Miller: Thank you. Yeah, I agree with both of you. I think your idea actually, Madam Chair, sounds great because that way we'll really understand now what we have for the rest of the year, and I think that's our collective goal. So, I'm happy to support that. I think it makes a lot of sense, and I appreciate the forethought about how we not only fix it this year, but in years going forward. And I would just ask, Madam Chair, that it sounds like we have accommodated applicants that had major COVID exceptions this year. I appreciate that piece, too, and that staff and stakeholders have had an opportunity to work through some of the issues, especially with the stay-home orders.

Anthony Sertich: I have only seen one of the specific extension requests and have not looked at all the extension specific details on the other projects. So, I can't go on a project-by-project basis. However, there are other projects waiting for these funds. So, I think the sooner we get the money back, then we can award it at the next December meeting.

Treasurer Ma: So, I think the staff has looked at all 12 requests, and they recommend approval of all 12. So, I don't want to have us go through every single applicant again. I would like us to establish a policy and move forward. But I would like to also hear from Tia --

Tia Boatman Patterson: I generally support the staff's recommendation. I think each and every single one of these applicants is over the 180 days if I'm not mistaken. So, they've been given adequate time so I support Tony and Ms. Gayle's recommendation.

Treasurer Ma: All right. Let's hear from the public then. Public comment.

Andre Perry: Hi there. Thank you, Committee, for allowing public comments with respect to this issue. I'm with the City of LA Housing and Community Investment Development Fund. We have four of the projects that are under consideration today that are requesting extensions. As we discussed, when the Board initially provided the blanket approval, the projects were awarded post the stay-home orders from the Governor and have obviously overcome a lot of challenges as it pertains to issues of summer, related to protests, etc. I'm happy to announce that our projects that we are requesting extensions all have bond resolutions approved at the municipal level and are looking to close hopefully within a relatively short period of time. We just received loan documents from two of those projects which also have funds from HCD. And so, the ability for us to be able to proceed is not just a function of what the developer has within its sphere of control but other aspects that impact the ability to make the close timely. So, we are supportive of a scenario where the Committee considers providing the 45-day extension. And just for the record, these projects received an allocation in April, the second round for 2020 projects that received those allocations, and the first round all received a 90-day extension. So, these projects have not been given the benefit of the full 90-day extension that were provided to projects in February. However, I am confident that these projects will be successful to close by the proposed January 2021 time frame. My concern would be that if we are to force these developers to either forfeit performance deposit prior to getting the benefit of the extension, the question would be with respect to market conditions re a particular round. In the event that the deal doesn't close by January, I support what I'm hearing the other members of the Committee say, which is to either assess negative points, whether that be one year or more, or a scenario of a forfeiture of the deposit post January. But I don't think it would be the appropriate thing to do just to be able to accept an extension at this juncture. We have two other deals on the docket that are closing with a takeout with Freddie Mac. The lender is providing information to the developer and the planning process will take an additional three weeks. So, we anticipate that all four of these projects will close within the additional 45 days if the Committee provides that. But again, I would only suggest that we make the decision to waive the performance deposit as well as assessing negative points until after January. Thank you for your time.

Treasurer Ma: Tony.

Anthony Sertich: I have a quick question for Mr. Perry. Thank you for your thoughts. So, do you expect that these projects will close in January?

Andre Perry: Yes. I mentioned before, when we first came before the Committee, we were competing with COVID-related municipal issues which prevented us from proceeding with these projects. But from my vantage point, all of these deals that we've submitted extensions for are within weeks of closing. The concern would be regarding the safety of those developers, and whether to decide to either take a penalty for the entire year of 2021, or potentially to lose the deposit that could be used to assist in paying for development costs; to provide a penalty to this particular round that was not seen in the first round, where all developers received a 90-day extension without the forfeiture of the performance deposit or penalties, is not really fair. So, I understand the sense of urgency as it pertains to wanting to be able to identify which projects will or won't move, but I think some of the deals that we've submitted for the extension are in a scenario where we have confidence that those deals will close.

Treasure Ma: And which deals are yours, Mr. Perry?

Andre Perry: The first one is -- and in no certain order -- Hope on Hyde Park. (Indiscernible).

Treasurer Ma: Hope on Avalon.

Andre Perry: Hope on Hyde Park, Hope on Broadway. The third is Hollywood Parks Collective and the fourth is Adams Terrace.

Treasurer Ma: Adams Terrace. Okay.

Andre Perry: And in some cases, like Adams Terrace, I was told by our financial loan officer that our documents are in escrow. So, it may very well be that the deal may close before December 1. But again, at the time that we submitted the request, which was November 4th, folks didn't know what to do and what it was going to be. So again, we're looking at deals that are within weeks of the deadline.

Treasurer Ma: Right. Okay. Thank you. Next speaker. Luke Watkins? There he is.

Luke Watkins: Let me just say thank you guys for your help. It's hard. You guys are all working on behalf of the public. And I know you know that the situation we're in is extremely difficult. We're all trying as hard as we can. I've closed two projects in 2020. This is my third one. I'm dealing with difficulties at the state level, private level, at every level. And I've told you I think I can get this done by the 20-whatever day you told me in January, but in order to do that, I have to have USDA get their work done. I have to have Enterprise do their final (indiscernible) and determine that, yes, everything is good. The contractor has to do their final determination of what their final number is. And, you know, there's other people. But this is what happens as you approach closing, and until you get there, you don't know whether you're going to get there. In the meantime, you've got six attorneys working. You've paid a great deal of money for pre development expenses. Now I want to try to do that. And why do I want to try to do that? Because I want to make money and serve people. That's why we're all doing what we do. But what it looks like is if I fail, you're going to assess negative points to me. I don't know what the impact is going to be, but it's going to severely affect my business in the future. And, you know, there's a need for a lot of Affordable Housing units. I've been doing this for 35 years, so I know what I'm doing. But it doesn't encourage me to want to keep doing this for much longer if you're going to penalize people for trying as hard as they can. And I appreciate what you're doing, but I'm probably gonna have to just drop it next week and make the best of the situation and that's the way it's going to be. Because if you're going to impose negative points on me, why should I take that risk? Thank you.

Treasurer Ma: Thank you. I'm personally not in favor of negative points because it stays with the developer versus the project, as you know. If your project can't close, then my suggestion would be you cannot apply in 2021 because there are people that applied this year where we denied them, and we're still oversubscribed, even for the December round. So that's the issue, but I understand Mr. Watkins. I don't want to ding developers because you're right. I mean, if we ding you for all your projects, then why do you even want to stick around and be part of this. So, I want to do it on a project-by-project basis, given it's COVID and all the factors surrounding COVID we understand, but there's also a fairness issue. Right? Hundreds have applied this year and many of them have closed. And there's still people on the list. So if you attended our last meeting, also, we were and continue to talk about the fairness issue. Tony.

Anthony Sertich: Yeah. I was just going to clarify, your proposal…. Are you saying that a specific project can't apply and not that the developer who can't apply?

Treasurer Ma: Right. I don't want to ding the developer. Developers are out there. They're all trying to build. We want to see them build. We understand that there are circumstances beyond their control at this moment, but we are not in a position where we should be granting third extensions and fourth extensions. Right? It's just not fair to everyone else who has applied this year and were ready to go. So my recommendation would be just to deny that project from applying in 2021, so they have to sit out for the year and then they can apply again in 2022.

Anthony Sertich: I think if we're going to do that, we would need to put a deadline on the closing time of these projects as well.

Treasurer Ma: Yes. We haven't talked about that yet. Let's do that after. Ben Barker.

Ben Barker: Good afternoon. Ben Barker, California Municipal Finance Authority. I have a clarifying question re Villa of Lakeshore. So currently, the recommendation, just so I understand it, is that they will receive their extension until next year. If they go past that, then the developer would receive negative points and they would lose their performance deposit.

Treasurer Ma: I don't want to do negative points on the developer.

Ben Barker: So that project can't --

Treasurer Ma: -- cannot come back until 2022.

Ben Barker: So then -- okay. So, no negative points on the developer. What about the performance deposit?

Treasurer Ma: They'll lose the performance deposit.

Ben Barker: Okay. Perfect. Thank you for clarifying that.

Gayle Miller: Madam Chair, I'm sorry. I couldn't hear your answer to Mr. Barker.

Treasurer Ma: To reiterate, they would lose the performance deposit, but the project, if they fail to close by this extension date, the project could not resubmit in 2022. The project applicant, not the developer. The developer can still submit all their other projects next year, but just this specific project would have to sit out for a year.

Gayle Miller: All right. Well, now if we are talking about negative points, and I don't know that I feel strongly about this, you can also assess negative points for only one round and not have them apply the rest of the year.

Treasurer Ma: But that pertains to all the developers' projects, right?

Anthony Sertich: Yeah, that would.

Treasurer Ma: I mean, that's a lot.

Gayle Miller: Negative points would apply to all of them. I see.

Tyler Monroe: Hi. My name is Tyler Monroe, Vice President of Development for Tom Saffran and Associates (TSA). Treasurer Ma, Committee members, thank you so much for this opportunity. I'm here on behalf of our organization to request an extension for the Hollywood Arts Collective Project. Andre Perry with the Housing Department of the City of Los Angeles spoke to the general nature of the project. This extension request is made to address delays resulting from a variety of things that are uncontrolled due to COVID-19 effects on capital markets, a volatile construction market, project flow through various public agencies. We had previously submitted a 90-day extension on September 10th and was granted that 90-day extension to January the 25th. On September 16th CDLAC granted, and we are grateful for it, a blanket extension to all projects to December 1st. Subsequently, CDLAC rescinded the previously granted extension for the project. This request that we're making today is effectively to reinstate the previously granted 90-day extension for the same original day. This project, as Andre has said, is very near closed. The City has approved the bond issuance, the general construction contract has been executed, and we have a check sitting right now at Los Angeles Department of Building and Safety to pay for and pull our building permits as soon as we get this extension request. They actually were ready to pull it last week, but we held off until we were able to obtain this extension. The final steps, as Andre mentioned, are wrap-ups of legal documentation with the City and State that were closed. Documents are being routed right now for signature as we speak. TSA was extremely fortunate to have received three awards upon allocation at the April 14th meeting. We have already closed on two of them: one for VA Building 207 and the other for Resident Theater. We are very, very much committed to making sure these happen as fast as possible, especially on this Hollywood Arts Collective Project. We would be most grateful for the extension to January, and I assure you we are doing everything to close it much, much sooner, together with our partners at the City and State. Thank you.

Tia Boatman Patterson: I'm trying to figure out a way to be fair and balanced here, and it seems like negative points, for one round for a particular developer, might be more balanced as opposed to just penalizing the projects. I feel the penalty needs to be somewhat minimal because everyone is in the same position. But these are projects that are pretty much shovel ready but for some things going on, but you have to do what you have to do. And so, if we gave an applicant the extension but said if you don't meet the extension, we are going to assess negative points on the next round; that might be a more balanced way of doing it.

Treasurer Ma: Okay. So, then we go back to Tony's question. So, let's say they don't meet the extension requests. Then how much time do you give them?

Tia Boatman Patterson: And they would have to turn in the allocation, they lose their performance bond, and they would get negative points assessed for just one round.

Treasurer Ma: But on all the projects that they submit?

Tia Boatman Patterson: That developer -- because that developer needs to do what they can to meet the extension deadline.

Treasurer Ma: Okay.

Anthony Sertich: Otherwise, they could turn it back in now and not have to worry about any of those issues. I think that's a fair approach. They get a free extension, but there's risks if they don't perform on that extension.

Gayle Miller: Well, Madam Chair, I think what Ms. Boatman Patterson is saying is, if they don't perform on that extension, they would get negative points for one round in '21 and return the money, and that would be the penalty versus just penalizing the project. I understand this year was extraordinary, but I think this isn't the first time TCAC and CDLAC have dealt with extensions. So, we're just trying to impose some very tight restrictions in a scarce resource world. I can see how that proposal makes sense because what we want is if all of these projects are shovel ready and are ready to go, it would make sense to give them the extension and hope that they get done; but understand and really hold their feet to the fire if they don't because we want as much to get built as possible. So, it does make sense to me what Ms. Boatman Patterson is saying as a tweener.

Anthony Sertich: I agree. I think ultimately it allows the projects that are going to close in the next two months, or however long we give them, to move forward and to get everything together. Those that aren't sure can return the money in the next week and be free and clear. You know, obviously they put a lot of work and effort and money into these projects, but there won't be any negative points and they won't lose their performance deposit. So, I think that allows them to make a choice this week and work the next couple of months to get something closed.

Treasurer Ma: Okay. Let's say the first one, Heritage Commons, they don't meet the January 25th deadline. So, then the developer gets the negative points and --

Tia Boatman Patterson: For one round, not the --

Treasurer Ma: For one round, but then what happens if they don't close by March or May or June?

Tia Boatman Patterson: They turn in their allocation.

Gayle Miller: After January 25th, they turn in their allocation.

Treasurer Ma: Oh, okay. Got it.

Tia Boatman Patterson: And lose their performance deposit.

Treasurer Ma: Okay. And then get negative points for a round.

Gayle Miller: One round, though. So, they can come back in 2021, but what it allows for is the shovel ready projects.

Treasurer Ma: Okay.

Gayle Miller: But after January 25th, there would be no additional extensions for these projects.

Treasurer Ma: Got it. And it's January 25th by midnight or close of business?

Anthony Sertich: I'd leave that up to staff.

Tia Boatman Patterson: I think you need to be clear, too, as to when they need to return it back without any penalty. So, if they return it back by December 1st, everything's good. But if they take the extension and don't close, they return the allocation and we keep their performance bond, and they are assessed negative points for the first round in 2021.

Gayle Miller: That's a really important point that they have an opportunity to return it with no penalty. So, in fact, if it doesn't look like things can close by the end of January, that they have this opportunity, so we can act on it this year, and not be penalized.

Tia Boatman Patterson: They might give a different date, Ms. Miller. I said December 1st if they can't turn it in by December 1st. But I think the CDLAC staff needs to make some recommendations because you want to be able to allocate those back out.

Treasurer Ma: Right. When is our next meeting?

Richard Fischer: December 9th.

Treasurer Ma: Okay. Next meeting is December 9th.

Gayle Miller: So, then December 1st, Ms. Blackwell, would that be enough time for you? But the other option for you, Ms. Blackwell, is we actually schedule another meeting in December. So, I defer to you on what that date should be.

Anthony Sertich: That needs to have a waiting list as well with that.

Gayle Miller: Right. Good point. But I do want to defer to staff and your ability to work through the list and/or the waiting list, whatever you think is better.

Judith Blackwell: I didn't hear the entire question, but I think December 1st would work.

Gayle Miller: Okay. Great. And that makes sense to me too. My whole question was just around your capacity and your timing.

Anthony Sertich: Makes sense. I think if the money comes back in January, then we're gonna have to reallocate it next year anyway.

Treasurer Ma: When is the proposed first meeting for CDLAC? Is it January or February?

Richard Fischer: I thought it was April.

Treasurer Ma: April?

Judith Blackwell: We don't have a proposed first meeting yet since there still a lot of moving parts.

Treasurer Ma: Okay. So then these would all come back, potentially, if they couldn't close in January, then it would come back in the second round in 2021?

Judith Blackwell: Yes.

Treasurer Ma: All right. Okay. Any other folks?

Justin Hardt: Hi. Thank you very much for the consideration. I appreciate all the time and effort everybody's putting into this. I want to reiterate what was said earlier about the earlier extensions that were granted to the February round. We've got three developments that are currently under consideration today. Those are the Atchison, Kawana Springs, and Santa Rosa Avenue Apartments. As our colleague in Los Angeles stated for their deals, we are also eminently at the closing line. We've got loan documents executed for a number of those deals. We are there. We are at that finish line. We experienced significant delays as it relates to Plan Check, things that were completely outside of our control. You know, we got caught up with the City of Santa Rosa, and they got caught up specifically with wildfires. And so, we've spent as much money and time and energy as possible to get every avenue expedited through third-party Plan Check companies to negotiate early on with the cities. We broke through a few bottlenecks with the cities but the last few weeks are just so critical to getting us where we need so that we can close. Everything under our control has been completed. As I said, the loan documents, the equity, the title and survey, everything that we can do, has been effectively at the finish line with title and escrow ready to close but for the final signoff from some of these cities. So, we know that the cities are going to deliver. They were aware of these extensions that the Committee had granted. And we certainly will be closing these here -- we hope we could close one of these as early as this week; the next one as early as the following week and then the third shortly thereafter. Unfortunately, we got caught up with COVID, as we all did, like with Santa Rosa and wildfires, that really slowed down the fire department in reviewing plans who had to really look at life safety issues first. But we've broken through that bottleneck. And, you know, as a side note, I think one of the earlier commenters too talked about the amount of money that they've invested. We're about $9 million invested into these three developments. We are going to see these through, and our hope is to do that without further penalty. We've spent about $150,000, give or take, of additional costs just to get the developments through these COVID-related issues for expediting a Plan Check and Plan Check Review.

Treasurer Ma: Okay.

Justin Hardt: So, for what it's worth, I fully support where the Committee is going in allowing the developers to make an election, I think, as Ms. Patterson indicated, potentially on the 1st to either give back the bond allocation without penalty and negative point assessment or be granted your extension through the dates mentioned of January 25th, and at that point if you are unable to close by then you will be assessed either negative points for a round or forfeiture of your performance deposit or both. I do appreciate the opportunity to kind of push these through right across the finish line.

Treasurer Ma: Okay. So, let me ask the Committee staff: Why December 1st versus December 4th? I mean, as long as it's done before the 9th, right, then we'll know whether we have more bonds to allocate on the 9th?

Judith Blackwell: I mean, December 1st was the date that we had in the first place, so I just think that that makes some sense. The closer we get to the meeting is just going to be harder for staff to get everything….

Richard Fischer: Realigned.

Judith Blackwell: Yeah. -- realigned.

Treasurer Ma: But if they don't close, or if they say they want to give it back, then their allocation goes back into the general pool.

Richard Fischer: That's correct.

Treasurer Ma: So how many days do you need to do that?

Richard Fischer: Well, it depends on how much we get back in and what pool the Committee wants to focus on. So, with that in mind, it should not take more than a day to realign everything.

Treasurer Ma: Right. That's what I'm thinking. So, I'm thinking maybe we push back the deadline to Friday, December 4th, which will give people a couple more days. They say they're all close to closing. So as long as the bond allocation comes back before the December 9th meeting, we are good?

Richard Fischer: Right.

Treasurer Ma: That's kind of the crucial date for us.

Justin Hardt: Integrated Community Development.

Treasurer Ma: Integrated. Are you the developer?

Justin Hardt: Yeah, we're the co-developer.

Conference phone voice: You have two questions remaining.

Treasurer Ma: Okay. On the phone.

Candice Hung: Hi, this is Candice Hung from McCormack Baron and Salazar. Sorry I had a connection issue earlier. Hello, Committee members. Thank you for considering our request. I'm speaking on behalf of Project 20-577, Twin Rivers Block A. We had also submitted an initial request for a 90-day extension back in September, and we're approved for a new extension date deadline of January; however, we did receive the notice that everyone from the April 14th allocation date would get the automatic extension to December 1st. We then made a request to CDLAC staff for the traditional Hardship extension of five days to just get our paperwork in order. In past rounds, we've sought the five-day extension as administrative approval just to get paperwork in order. We are fully ready to close with signatures and at the recording office. However, due to COVID-19, the recorder's office and also the city planning counter for building permits are both closed to the public and only take appointments. If there are any issues, you cannot follow up immediately, you have to make a separate appointment. So, we were just hoping for a few extra days to make sure that our paperwork was all in order to submit. But essentially, we are going to close on the 1st, we just wanted a few extra days for the paperwork to be correct. So, we are here with the rest of the group and look forward to the Committee's understanding of our hardships and approval of our extension request.

Treasurer Ma: Okay. Thank you. Are you the developer, Candice?

Candice Hung: Yes.

Treasurer Ma: Okay. Next caller.

Conference phone voice: You have one question remaining.

Treasurer Ma: Hello, speaker.

Dan Falcon: Yes. This is Dan Falcon with McCormack Baron Salazar as well. Just following up on Candice's point. Our request really is consistent for the five business days as allowed under Section 5103 of the regulations. So, we would ask for your consideration there and not have negative points or performance deposit recaptured per the regulations. And thank you.

Treasurer Ma: Okay. Thank you. Anyone on the Zoom?

Richard Fischer: No hands up.

Treasurer Ma: Or you can put your video on and wave at us. David, you want to speak?

David Iskowitz: Yeah. Hi. My name is David Iskowitz with LSA Capital. We are the co-developer of Hope on Hyde Park and Hope on Broadway that was mentioned by Andre Perry, as well as Hope on Avalon, which is in the (indiscernible) of Los Angeles and (indiscernible) issue by CalHFA. We went through literally everything that you could possibly go through this year, COVID-related and otherwise, changed contractors, changed suppliers. We had actual parties pass away so we appreciate your consideration on this extension. We requested the extension for the three projects, through two different issuers, and the dates that we used were really 90 days from the original acceptance because that's what we were advised. We've been told, however, that it's actually very difficult to close during the first 14 days of January. And I hope that it would actually be more practical to push it back until the 25th, which is really the date that we requested on the other transaction. As much as there were other parties that were asking for extensions as well, we appreciate your consideration to simply choose a date and have all projects going through (indiscernible) as that would be more practical.

Treasurer Ma: Okay. Anne Nicholls.

Anne Nicholls: Thank you, Treasurer Ma. Anne Nicholls with Sacramento Housing and Redevelopment Agency. We are the issuer for the County/City's Housing Authority, and I too am speaking on behalf of the Twin Rivers Block A Project and requesting your consideration for the extension and waiving the performance deposit fee. We are so close to closing, and we would just hate for this deal to fall apart and all those that could have affordable housing to risk that. So, we are just pleading with you and the Committee to approve this extension, please.

Treasurer Ma: Okay. Thank you.

Anthony Sertich: Grant the 12 extensions that were presented to us today through January 29th, give them through the end of January. But if they do not return their deposits by December 1st, then they will have negative points for the following round with CDLAC and TCAC, the developer will, and as well as they would lose their performance deposit.

Treasurer Ma: Can we amend December 1st to December 4th, which is a Friday, just to give folks that extra four days if they can close, to close? Can we do that?

Gayle Miller: With that amendment, I'll second that motion.

Treasurer Ma: Okay. So, the motion is for those of the 12 applicants that cannot close, you have until December 4th, close of business, to return the allocation without any negative points, penalties, and your performance deposit will be returned to you. Right? That's the first part.

Okay. Second, if you don't make the extension deadline then you will lose your deposit and you will be assessed negative points for one round.

Anthony Sertich: Both CDLAC and TCAC. So, they're assessed the first round of CDLAC and TCAC --

Treasurer Ma: Oh, both CDLAC AND TCAC? That's a lot. Okay.

Gayle Miller: Madam Chair, we can't make a motion that affects TCAC at CDLAC.

Treasurer Ma: Yeah, I don't think you can.

Richard Fischer: No.

Anthony Sertich: Negative points carry over though, right? Don’t they work together, Ms. Blackwell?

Judith Blackwell: We would not be giving negative points pertaining to whether or not somebody got their bond allocation. That would only occur in TCAC -- in this group. Now, I just want to clarify what you said, Tony. Did I hear you say something about the end of January?

Anthony Sertich: January 29th is the last Board meeting in January.

Judith Blackwell: So, for some of these that are asking for February dates, they wouldn't get them?

Anthony Sertich: If they come back this week or they could try to close by the end of January, yeah.

Judith Blackwell: Okay. All right.

Treasurer Ma: Yeah. So, there's one for February: Childs & B Street. And then, there's Villa Lakeshore Apartments that's requesting March 1st. So Tony is proposing a drop-dead deadline of January 29th for all extension requests.

Gayle Miller: And Ms. Boatman Patterson made a suggestion if staff could align with the HCD projects so that everyone is aligned by the end of January. I think that makes a lot of sense. It's just a request of staff to collaborate with HCD just to make sure all these deadlines are aligned.

Treasure Ma: All right. So, then the second part was for those that want to continue with their extension, they have until January 29th, close of business, to close? If they do not close, then they will forfeit their performance deposit and be assessed negative points for that round or for the next round?

Judith Blackwell: For the first round in January.

Anthony Sertich: Correct.

Treasurer Ma: Well, it just depends on when we have a meeting though?

Richard Fischer: Right. Yeah.

Judith Blackwell: For the first round in '21.

Anthony Sertich: It would be the following round after January.

Treasurer Ma: The following round after January. Okay.

Tia Boatman Patterson: They're returning their allocation.

Treasure Ma: Yes. So if they don't close by January 29th, they need to return their allocation, we will keep their performance deposit, and they will be assessed negative points, the developer will, negative points for the round after January 29th. Is that everyone's understanding?

Gayle Miller: Yes. But then the second part of that motion is if the allocation is returned prior to December 4th then no penalty and we do not keep the performance deposit.

Treasurer Ma: Correct. Correct. That was my Part 1 and then Part 2 recommendation.

Ben Barker: Just to clarify, if it goes into next year and they don't close, they can't return the allocation. It goes to the issuer.

Treasurer Ma: Right.

Ben Barker: So, it doesn't go back to CDLAC.

Treasurer Ma: Right. So next year, if these projects don't close, they will stay with the issuer. It's not going to go back into the general pool.

Anthony Sertich: And also, it won't stay with that project.

Richard Fischer: Right.

Treasure Ma: It won't stay with the project. Correct.

Gayle Miller: Madam Chair, could I ask a legal a question? Could we say that if it gets returned in January, to Mr. Barker's point, we ran into this problem with our -- the mortgage certificates coming back. I can't remember. Ms. Boatman Patterson, do you remember what happened? When it goes back to the issuer, do we need to tell the issuer then what we expect of them?

Tia Boatman Patterson: No.

Richard Fischer: No.

Tia Boatman Patterson: It would stay in the Multifamily pool. So, the issuer would have a responsibility to put it back into a Multifamily project.

Richard Fischer: Correct.

Gayle Miller: Okay. Great.

Richard Fischer: That's correct.

Gayle Miller: Okay. So we don't need to state that as part of the motion?

Tia Boatman Patterson: Right. You don't need that. That's how the law and the regs work.

Richard Fischer: Right, you don't need a motion.

Anthony Sertich: The issuer would not be able to just give it to any project they want.

Richard Fischer: Correct.

Judith Blackwell: Yes.

Richard Fischer: Right.

Treasurer Ma: So, it would be carried forward to the issuer.

Richard Fischer: Correct.

Treasurer Ma: All right. So, is everyone clear or should we read it one more time? One more time? Okay. So, for these 12 applicants before us today, if you are not going to close by January 29th, 2021, you can return the allocation by December 4th, close of business, and you will not be assessed negative points and we will refund your performance deposit. For those who believe they're going to close by January 29th, if you do not close by January 29th, close of business, we will keep your performance deposit and we will assess you negative points for the round following

January 29th, 2021, and the allocation will stay with the issuer and not get put back into the general pool. That's just an FYI.

Anthony Sertich: I'll second that motion if that was the final motion.

Treasurer Ma: Okay. That was your motion.

Gayle Miller: I second it.

Treasurer Ma: Yes, you seconded it. All right.

Anthony Sertich: I think we're ready to vote.

Treasurer Ma: All right. Anthony, please call the roll.

Roll call was taken and the motion passed unanimously.

Treasurer Ma: Okay. Motion passes.

All right. Good luck applicants. We hope you close soon. Thank you all very much. Have a great Thanksgiving everyone. Stay safe. Talk to you soon. Bye-bye.

AGENDA ITEM 3

Executive Director's Report

AGENDA ITEM 4

Consideration and Adoption of 2021 CDLAC Meeting Schedule

Agenda Item No. 4
December 21, 2020

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 21, 2020

Proposed CDLAC Committee Meeting Schedule for 2021 (Agenda Item No. 4)

ACTION:
Approve CDLAC Committee Meeting Schedule for 2021.

DISCUSSION:
The 2021 schedule will align with TCAC and the allocation of 4% tax credit awards. The 2019 schedule will align with TCAC and the allocation of 4% tax credit awards.

As we are not expecting carryforward of allocation (or very little carryforward) and expect the 2021 State Ceiling to be similar to the 2020 State Ceiling, CDLAC is recommending, in order to preserve allocation, to divide the rounds as individual competitive rounds. CDLAC regulations regarding competitive rounds will apply.

RECOMMENDATION:
Staff recommends the approval of the 2021 CDLAC Committee Meeting Schedule.

Prepared by Sarah Lester

PROPOSED 2021 ALLOCATION MEETING SCHEDULE

(December 9, 2020)

Schedule of CDLAC Committee Meetings and Application Deadlines*

MEETING DATE and PURPOSE	APPLICATION DEADLINE	CITY	LOCATION
January 15 State Ceiling		Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587
April 28 Allocation Meeting	*COMPETITIVE* January 28, 2021	Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587
June 16 Non-QRRP Allocation Meeting	April 30, 2021	Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587
August 11 Allocation Meeting	*COMPETITIVE* May 13, 2021	Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587
September 30 Non-QRRP Allocation Meeting	July 15, 2020	Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587
November 18 If Needed Allocation Meeting	*TBD*	Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587
December 8 Allocation Meeting	*COMPETITIVE* September 9, 2021	Sacramento	11:00AM Jesse Unruh Building 915 Capitol Mall Room 587

*ALL ALLOCATION MEETING DATES, APPLICATION DEADLINES, AND LOCATIONS ARE SUBJECT TO CHANGE

AGENDA ITEM 5

Consideration and Approval of CDLAC Regulations (will come in a separate file)

Date: **December 16, 2020**

To: **CDLAC Committee Members**

From: **Judith Blackwell, Executive Director**

Re: **Final Draft of CDLAC Regulations for December 21 Meeting**

On December 9, CDLAC held a meeting to discuss and receive input on a revised draft of the CDLAC regulations. In response to public comment from that meeting as well as further Staff input, attached is a final draft of Staff's proposed amendments to the regulations, recognizing that the Committee may still make further changes at the upcoming December 21 meeting. The revised changes are identified with highlighted additions and ~~deletions~~. All previously proposed changes continue to be retained so that Committee Members and stakeholders can observe the progression of the document.

The substantial majority of the new changes are technical and/or administrative in nature and are proposed based upon a thorough reading of the revised regulations as well as valuable stakeholder comments. Nevertheless, Staff is drawing attention to a few items of note:

- PCWBE Definition (page 7) – Qualifications now require both the executive director <u>and</u> 50% of the board members to be Persons of Color

- AFFH Scoring (page 22) – New floor of 30% AMI for purposes of determining the low end of the AMI range; allowance to reduce targeting range from a 40% spread to a 30% spread if market conditions do not allow higher-targeted units or if Low Resource/Poverty Area is adjacent to a High/Highest Resource Area

- Type of Units Counted in Tie Breaker (page 29) – Specificity provided that only units targeted up to 100% AMI and below (i.e. no market rate units) count for purposes of the tie-breaker, provided such units are restricted for at least 30 years

Discussion Items: CDLAC Staff also wishes to highlight a few other items for which changes were not made but which may warrant further discussion by the Committee based on previous public comment:

- ELI/VLI Set-Aside Income Targeting Requirements: Pool qualifications require HCD/Local funding commitments but not deeper income targeting beyond that already allowed for in the scoring system

- Leverage / Cost Containment: Ability to obtain leverage points by providing additional cost containment

- State Credits in Tie Breaker: State tax credits remain in tie-breaker to encourage efficiency of use over concerns of underutilization

Pool and Set-Aside Amounts

Stakeholders continue to express a strong desire for the Committee to adopt the pools and set-asides concurrent with formal adoption of the regulations. Staff has expanded and updated the table previously provided to show the amount of allocation in each category assuming a total QRRP allocation of $3.5 billion. The Committee is of course free to propose its own allocations and need not choose one of these options.

Pools / Set-Asides (NC = New Construction)	**Option 1**		**Option 2**		**Option 3**	
NC – Homeless	9%	$315m	10%	$350m	12%	$420m
NC – ELI/VLI	14%	$490m	15%	$525m	18%	$630m
NC – Mixed-Income	9%	$315m	10%	$350m	12%	$420m
Rural – NC Only	5%	$175m	5%	$175m	5%	$175m
Preservation	5%	$175m	4%	$140m	5%	$175m
Other Rehabilitation	5%	$175m	3%	$105m	5%	$175m
PCWBE	3%	$105m	3%	$105m	3%	$105m
Geographic – NC Only	50%	$1.75b	50%	$1.75b	40%	$1.40b

Geographic Apportionments

Staff continues to propose use of a super region geographic apportionment system based upon the 9% TCAC program. Staff has also learned that the allocations in the 9% program are slightly cost-adjusted but are based primarily on the number of renter occupied households that are experiencing a high housing cost burden, the data for which is from 2012. Staff has updated the table previously provided to show the approximate amount of allocation in each region assuming a total geographic apportionment of $1.75 billion.

Region	**Option 1:** Per 9% Program		**Option 2:** High-Cost Adjusted		**Option 3:** Bay Area/LA Focused	
Coastal	21%	$368m	21%	$368m	19%	$333m
City of Los Angeles	18%	$315m	19%	$333m	21%	$368m
Balance of LA County	17%	$298m	17%	$298m	16%	$280m
Bay Area	17%	$298m	20%	$350m	24%	$420m
Inland	17%	$298m	13%	$228m	12%	$210m
Northern	10%	$175m	10%	$175m	8%	$140m

Section 5000 Definitions

~~"Mixed Income Project Pool" means a reserve within the Qualified Residential Rental Project Pool that may be established by the Committee.~~

"Mixed Income Project" means a Qualified Residential Rental Project that is a New Construction Project which either (1) is not utilizing the Average Income test of Internal Revenue Code Section 42 (g)(1)(C) and which has 50% or fewer of its total units designated as Restricted Rental Units or; (2) is part of the California Housing Finance Agency Mixed- Income Program. In a Competitive Application Process, a Mixed Income Project may only apply for an allocation of tax-exempt bonds if the ratio of tax-exempt bonds, not including recycled bonds, to aggregate depreciable basis plus land basis is less than or equal to the ratio of ~~for~~ units that will be restricted pursuant to a TCAC regulatory agreement.

"Rural Project" means a Qualified Residential Rental Project that is a New Construction Project located in a rural area as defined by Health and Safety Code section 50199.21 but shall not include a Mixed Income Project.

Reason: The changes to Section 5020 below establish a Mixed Income Set Aside within a New Construction Pool. As a result, the definition of Mixed Income Project Pool is no longer relevant, and the definition of Mixed Income Project requires a limitation to New Construction Projects. The changes also provide that in a competitive round Mixed Income Projects may only apply for bonds for that are restricted by TCAC. Lastly, the changes limit Rural Projects to New Construction Projects. Non-new construction projects (i.e.; rehabilitation projects) in rural areas would then compete in either the Preservation or Other Rehabilitation Pools proposed in Section 5020.

Reason: The new change to the Mixed Income Project definition clarifies the calculation to be used to determine eligibility for these projects in competitive funding rounds.

Section 5010. Determination of State Ceiling, Competitiveness, and Minimum Points. (a) As soon as practicable after the beginning of each calendar year, and before any Applications are considered, the Committee shall determine and announce the State Ceiling and the portion of the State Ceiling that will be available for each of the State Ceiling Pools as set forth in article 3 of this chapter.
(b) Pursuant to subdivision (a) of this section, the Committee shall determine and announce the establishment of either an Open Application Process or a Competitive Application Process, or both, for each State Ceiling Pool. The Committee shall determine which process is best for each program pool based on factors including, but not limited to, the amount of the State Ceiling available to the pool and the history of Applications for allocations from each pool.
(c) Pursuant to subdivision (a) and (b) of this section, the Committee shall establish a minimum point threshold for the ~~General~~ New Construction, Rural, Preservation, Other Rehabilitation and ~~Mixed Income Project~~ PCWBE Pools as determined in section 5020.

Reason: The changes to this section simply update the list of Qualified Residential Rental Project (QRRP) pools to reflect the revised list of pools proposed in Section 5020.

Section 5020. Determination of State Ceiling Pools. As soon as practicable after the beginning of each calendar year, and before any Applications are considered, the Committee will:
(a) Determine and announce what amount, expressed both as a percentage and as a dollar amount of the State Ceiling, shall be available for Allocation during the year and in each Allocation Round to Qualified Residential Rental Projects from the Qualified Residential Rental Project Pool.

(1) Subsequent to the determination made pursuant to subdivision (a) of this section, determine and announce whether a portion of the Qualified Residential Rental Project Pool, expressed as a dollar amount and as a percentage ~~(not to exceed twenty-five percent (25%))~~ of the Qualified Residential Rental Project Pool shall be reserved in a ~~Mixed Income~~ New Construction Pool to be available for allocation to ~~Mixed Income~~ New Construction Projects that are not Rural Projects, and determine what amount, if any, shall be available in each Allocation Round.

(A) Subsequent to the determination made pursuant to paragraph (1) of this subdivision, determine and announce whether a portion of the New Construction Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in a Homeless Set-Aside to be available for allocation to New Construction Projects in which at least 25% of the tax credit units are designated for homeless households as defined in Section 10315(b)(1) of the TCAC regulations at affordable rents consistent with Section 10325(g)(3) of the TCAC regulations, and determine what amount, if any, shall be available in each Allocation Round.

(B) Subsequent to the determination made pursuant to paragraph (1) of this subdivision, determine and announce whether a portion of the New Construction Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in an Extremely Low/Very Low Income Set Aside to be available for allocation to New Construction Projects that have received either of the following, and determine what amount, if any, shall be available in each Allocation Round:
(i) an award of funding from the Department of Housing and Community Development (HCD). For purposes of this Set Aside, an award of funding from HCD shall include awards made directly by the department pursuant to the Multifamily Housing Program, the Affordable Housing and Sustainable Communities Program, the Transit Oriented Development Program, the Joe Serna Jr. Farmworker Housing Grant Program, the No Place Like Home Program, Housing for a Healthy California and the Veterans Housing and Homelessness Prevention Program. The income restrictions shall be at least as restrictive as those for which the applicant received an award from HCD.
(ii) an award of ~~funding from a local public entity~~ public funds as defined in Section 10325(c)(9) of the TCAC regulations equivalent to 15% or more of the Project's total development cost, provided that the project meets the following criteria, as applicable:
(aa) If the project receives points as a Large Family project pursuant to Section 5230(g) and is located in a High Segregation and Poverty Area as specified on TCAC/HCD Opportunity Area Map, the project shall have income restrictions ~~with a range of at least 30% AMI between the highest and lowest 10% of income-restricted units~~ that meet the requirements of Section 5230(j)(1)(C).
(bb) If the project receives points as a Large Family project pursuant to Section 5230(g) and is located in a High or Highest Resource Area as specified on TCAC/HCD Opportunity Area Map, ~~at least 10% of tax credit units shall be restricted at 30% of area median income and an additional 10% of tax credits units shall be restricted at 50% of area median income~~ the project shall have income restrictions that meet the requirements of 5230(j)(1)(A).
(cc) If the project does not receive points as a Large Family project pursuant to Section 5230(g) or is located in a Moderate (Rapidly Changing), Moderate, or Low Resource Area as specified on TCAC/HCD Opportunity Area Map, the project receives maximum points for exceeding minimum income restrictions pursuant to Section 5230(d).
(C) Subsequent to the determination made pursuant to paragraph (1) of this subdivision, determine and announce whether a portion of the New Construction Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in a Mixed Income Set-Aside to be available for allocation to New Construction Projects that are Mixed Income Projects, and determine what amount, if any, shall be available in each Allocation Round.

(2) Subsequent to the determination made pursuant to subdivision (a) of this section, determine and announce whether a portion of the Qualified Residential Rental Project Pool, expressed as a dollar amount and as a percentage (not to exceed ten percent (10%)) of the Qualified Residential Rental Project Pool shall be reserved in a Rural Project Pool to be available for allocation to Rural Projects and determine what amount, if any, shall be available in each Allocation Round.

(3) Subsequent to the determination made pursuant to subdivision (a) of this section, determine and announce whether a portion of the Qualified Residential Rental Project Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in a Preservation Pool to be available for allocation to Preservation Projects and determine what amount, if any, shall be available in each Allocation Round.

(4) Subsequent to the determination made pursuant to subdivision (a) of this section, determine and announce whether a portion of the Qualified Residential Rental Project Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in an Other Rehabilitation Pool to be available for allocation to Other Rehabilitation Projects and determine what amount, if any, shall be available in each Allocation Round.

(5) Subsequent to the determination made pursuant to subdivision (a) of this section, determine and announce whether a portion of the Qualified Residential Rental Project Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in a PCWBE Pool to be available for allocation to PCWBE Projects and determine what amount, if any, shall be available in each Allocation Round.

Reason: The changes to this section establish five subpools with the QRRP Pool:

1. *New Construction Pool, which would retain the same eligibility criteria used for the 2020 New Construction Pool, except that Mixed Income Projects would now compete under a Mixed Income Set Aside of the New Construction Pool, as opposed to in a separate Mixed Income Pool. Rural new construction projects would continue to compete in the Rural Pool.*
2. *Rural Pool, which pursuant to the proposed Rural Project definition in Section 5000 would be limited to New Construction Projects in rural areas. Non-New Construction Projects (i.e., rehabilitation projects) in rural areas would now compete in the Preservation or Other Rehabilitation Pools below.*
3. *Preservation Pool, which would now include rural Preservation Projects but otherwise maintain the same eligibility criteria used for the 2020 Preservation Pool.*
4. *Other Rehabilitation Pool, which would now include rural projects but otherwise maintain the same eligibility criteria used for the 2020 Other Affordable Pool.*
5. *Persons of Color / Woman-Owned Business Enterprise (PCWBE) Pool, a new pool whose eligibility is established in the new definition of PCWBE Project in Section 5170. Unlike the other four pools above which are mutually exclusive, projects eligible for the PCWBE Pool that do not receive a bond allocation would be able to compete also in a second pool for which they qualify.*

The changes further establish three set asides within the New Construction Pool:

1. *Homeless Set Aside, which would be open to New Construction Projects in which at least 25% of the tax credit units were designated for homeless households, as defined consistent with the TCAC 9% tax credit homeless apportionment except for the lower threshold percentage of units serving persons who are homeless (i.e., 25% homeless units for this pool, as opposed to 50% for the TCAC homeless apportionment).*
2. *Extremely Low/Very Low Income Set Aside, which would be open to New Construction Projects that have received any level of award from specified HCD programs or local public funding equivalent to 15% of more of total development costs. With respect to projects qualifying under the 15% local funding option, all of the following would apply: a) a Large Family project located in a High Segregation and Poverty Area would need to achieve a range of at least 30% AMI between the highest and lowest 10% of income-restricted units; b) a Large Family project located in a High or Highest Resource Area would need to include at least 10% of tax credit units at 30% AMI and an additional 10% of tax credits units at 50% AMI; and c) a Large Family project located in a Moderate (Rapidly Changing), Moderate, or Low Resource Area, or a project meeting any housing type other than Large Family, would need to receive maximum points for exceeding minimum income restrictions.*
3. *Mixed Income Set Aside, which would be open to New Construction Projects that are Mixed Income Projects (i.e., projects with less than 50% restricted units or that receive CalHFA Mixed Income Program loans).*

Pursuant to the existing Section 5020, the Committee establishes pool and set aside allocations as soon as practicable after the beginning of each calendar year and before any Applications are considered.

Reason: In response to public comment, the new changes add one additional program to the list of eligible HCD programs and also create references to other sections to avoid redundancy and the opportunity for inconsistencies in future regulations.

Section 5022. Geographic Apportionments. For the purpose of allocating bonds available under the QRRP New Construction Pool, annual apportionments of bonds shall be made in approximately the amounts shown below:

Geographic Region	**Apportionment**
Coastal Region (Monterey, Orange, San Benito, San Diego San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura Counties)	19% to 21%
City of Los Angeles	18% to 21%

Balance of Los Angeles County 16% to 17%

Bay Area Region (Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara Counties) 17% to 24%

Inland Region (Fresno, Imperial, Kern, Kings, Madera, Merced, Riverside, San Bernardino, San Joaquin, Stanislaus, and Tulare Counties) 12% to 17%

Northern Region (Butte, El Dorado, Marin, Napa, Placer, Sacramento, Shasta, Solano, Sonoma, Sutter, Yuba, and Yolo Counties) 8% to 10%

Reason: In order to ensure a reasonable geographic distribution of bonds remaining in the New Construction Pool after allocations to set asides, the changes establish six regions encompassing the counties of the state that are not exclusively rural. The proposal combines a number of the regions from TCAC's 9% tax credit program to ensure larger apportionments in these "super regions" than would otherwise be the case if CDLAC were to use all TCAC's 9% tax credit regions. It is staff's intent that the Committee will establish the percentage apportionments to each region when it adopts the final regulations in December 2020. The Working Group convened at the Treasurer's request by the California Housing Consortium suggested apportionment ranges as follows. The ranges reflect TCAC's regional allocations with possible adjustments to reflect that projects in higher-cost regions require additional bonds to meet the 50% test to access 4% tax credits. The percentages in parentheses represent the unadjusted aggregation of regional percentages from TCAC's 9% tax credit program. Staff encourages comment on the most appropriate regional apportionments.

	Working Group Proposed Range	***Current TCAC %'s***
Coastal	*19-21%*	*(21.1%)*
City of Los Angeles	*18-21%*	*(17.6%)*
Balance of Los Angeles County	*16-17%*	*(17.2%)*
Bay Area	*17-24%*	*(17.1%)*
Inland	*12-17%*	*(16.9%)*
Northern	*8-10%*	*(10.1%)*

Section 5033. Minimum Application Requirements. (a) Applications for an Allocation of the State Ceiling may be submitted to the Committee at its offices in Sacramento, California. An Applicant must submit all required information appropriate to the type of Bond for which the Applicant requests an Allocation. The Applicant shall submit a complete Application and supplemental material for each project or program for which the Applicant is requesting an Allocation. Only complete Applications bearing the original signatures of an officer of the Applicant or designee and the Project Sponsor, if applicable, will be accepted.

(b) Unless specifically exempted, the following items must accompany all Applications:

(1) Performance Deposit Certification and evidence of the performance deposit as provided in section 5050(a), except that for Qualified Residential Rental Projects, an Applicant shall provide the certification and evidence within 20 calendar days following an award of an Allocation.

(2) A non-refundable first installment of the filing fee of $1,200 made payable to the California Debt Limit Allocation Committee as provided in section 5054(a).

(3) Proof of the bond sale structure requirements pursuant to article 6 of this chapter, if applicable, (for all Applications other than Applications relating to a Mortgage Credit Certificate Program pursuant to chapter 3).

(4) An inducement or reimbursement resolution adopted by the governing body of the Applicant approving the project or program to be Bond financed and authorizing a senior officer, or in the case of a Student Loan Program, an officer of the sponsor of the Student Loan Program, to file the Application with the Committee, pay any fees required by the Committee, and certify the posting of the required performance deposit, unless excepted herein.

Reason: Applicants for private activity bonds are currently required to post a performance deposit with their application. In a competitive environment where applicants are uncertain whether or not they will receive an allocation, this practice results in the unnecessary use of predevelopment *capital for developers of QRRP's while burdening both CDLAC staff and project issuers with processing requirements. This change would amend the performance deposit requirements for QRRP's by moving the obligation to make the deposit until after an allocation is made, similar to how TCAC treats deposits and allocation fees for low-income housing tax credits.*

Section 5035. Preliminary Recommendations. ~~(a)~~ At least twenty-five (25) calendar days prior to any meeting at which the Committee will award Allocations, the Executive Director will post a preliminary list of Applicants for which the Executive Director expects to recommend an Allocation (and the amount of those Allocations). During competitive rounds, the following procedures will be followed for the Qualified Residential Rental Program:

1) Within ten (10) calendar days after the application due date~~, information gathered from the QRRP Self-Scoring Worksheet will be in ranked order.~~ CDLAC will post a list of applicants, project names, project locations, selected pools and set-asides, geographic regions, and requested Allocations and all reported self-scoring totals and tie-breaker score on the Committee's website as provided in section 5140.

2) CDLAC will prepare rank ordering of the list of projects and evaluate the requested scoring based on information submitted in the application. CDLAC will only review those projects that are substantially complete, financially feasible and appear to score high enough to receive an Allocation. Within thirty (30) calendar days after the application due date, CDLAC shall notify Applicants and the developers/sponsors of their preliminary score and the reasons for any modifications from the Applicant's Self-Scoring Worksheet. Such notice, or a subsequent notice, may also contain completeness and/or feasibility defects determined during CDLAC's evaluation. CDLAC will only be required to send notices for projects that may appear to score high enough to receive an Allocation. Applicants will have five (5) calendar days to appeal their scores and/or completeness/feasibility defects, which appeals must be addressed to the Executive Director in writing per the instructions contained in the notice. The Executive Director shall then have ten (10) calendar days to issue a final determination. If an Applicant is unsatisfied with the final determination, the Applicant may appeal to the Committee per the instructions in the final determination notice.

3) The process specified in paragraph 2 above shall be used to produce a list of Applicants for which the Executive Director expects to recommend an Allocation, subject to any pending appeals that may be heard by the Committee.

~~(b) For the Qualified Residential Rental Program, the list will identify the points earned by each Applicant in all categories for which points are awarded, including the Applicant's aggregate total points.~~

Reason: In response to public comment, Staff is proposing new regulation changes to the application, evaluation and award process that substantially mirrors the process used by TCAC, which receives virtually universal support for its transparency and predictability.

Section 5050. Performance Deposit Requirements. (a) Applications for Qualified Private Activity Bonds shall include evidence of a performance deposit equal to one-half of one percent (.5%) of the Allocation requested, not to exceed $100,000 made payable to the Applicant, except that for Qualified Residential Rental Projects, an Applicant shall provide the evidence of a performance deposit within 20 calendar days following an award of an Allocation. Such evidence may include, but is not limited to a copy of a check, a letter of credit from a Commercial Bank with an A category or higher credit rating naming CDLAC as the beneficiary, certified funds or in the case where the Application is for a Single Family Housing Program, a copy of a general ledger statement evidencing that funds have been reserved for this purpose, and a fully executed Performance Deposit Certification that certifies the required deposit has been made and is being held by the Applicant on the behalf of the Committee.

(b) Applicants must maintain the performance deposit until a written release is received from the Committee.

Reason: This is a conforming change to proposed amendments to Section 5033.

Section 5053. Withdrawn or Denied Applications. For Applicants that post the performance deposit prior to award of an Allocation, ~~If~~ if the Applicant withdraws an Application prior to consideration by the Committee or if a Project fails to receive an award of Allocation, the performance deposit shall be automatically refunded or released with and no written authorization from the Committee shall be necessary. Applicants that receive an Allocation may also return the Allocation to the Committee within twenty (20) days of the award date without threat of negative points.

Reason: This is a conforming change to proposed amendments to Section 5033.

Reason: Consistent with TCAC policy and in the interest of producing program alignment, this change will allow awardees of a bond allocation up to twenty days from the date of the allocation to return the allocation to the Committee without threat of negative points.

Section 5101. Extensions to Expiration Dates. Excluding Recovery Zone Facility Bonds, Recovery Zone Economic Development Bonds, and Mortgage Credit Certificates, for Allocations awarded during an Open Application Process, the Executive Director may grant extensions of up to ~~ninety (90)~~ thirty (30) days.

Reason: This change allows CDLAC staff to more closely monitor projects that have been unable to meet the bond issuance deadline during an open application process by requiring more frequent extension requests, resulting in more frequent updates to the project's status.

Section 5153. Measurement of Distance. (a) Except as provided in (b) wherever ~~Wherever~~ these regulations contemplate an award of points based on a measurement of distance, that distance shall be measured from the perimeter of the proposed Project to the perimeter of the site amenity referenced. Applications shall include a detailed scaled-for-distance map from which the Committee can document that the measurement criteria have been met.
(b) Wherever these regulations refer to CTCAC regulations, in the event of any conflict between these regulations and the CTCAC regulations with respect to measurement of distance, the CTCAC regulations shall prevail.

Reason: In order to maximize consistency between TCAC and CDLAC programs, many of the point scoring categories proposed for revision in Section 5230 refer to TCAC scoring criteria and standards. The change to this section clarifies that CDLAC would utilize TCAC standards for measuring distance in those point categories that employ TCAC standards, particularly the site amenity points within the proposed affirmatively furthering fair housing category. This change will further ensure consistency in program implementation.

Section 5170. Definitions.

"~~Federally Assisted~~ At Risk Project" means a property that is at risk of conversion as defined by Revenue and Taxation Code section 17058(c)(~~4~~6) and by section 10325(g) of Title 4 of the California Code of Regulations; or a property that otherwise meets all requirements of Revenue and Taxation Code section 17058(c)(~~4~~6) and section 10325(g) of Title 4 of the California Code of Regulations, except that the ~~federal~~ assistance due to expire within five (5) calendar years of application to the Committee may include a tax-exempt private activity Bond regulatory agreement.

"Bond and State Credit Allocation" means the Allocation plus any California State Tax Credits requested from TCAC for an individual QRRP Project.

"Community Revitalization Area" means 1) a Distressed Community for which a comprehensive Community Revitalization Plan has been adopted and efforts specific to the plan have occurred; 2) a Federal Opportunity Zone, Choice Neighborhood, or HUD-approved Neighborhood Revitalization Strategy Area; or 3) a Disadvantaged Community as identified by the California Environmental Protection Agency's CalEnviroScreen map.

"Gross Rent" means gross rent as defined by 26 U.S.C. 42(g)(2)(B). Utility allowances, as provided by 26 U.S.C. section 42(g)(2)(B)(ii), will be included for purposes of this calculation. Projects that are ~~Federally Assisted~~ At Risk Projects or Projects that request low income housing tax credits are required to use Gross Rents for the calculation of restricted rents.

~~"High Quality Transit" means a transit line with service seven days per week that operates on a railway, dedicated right-of-way or contains at least one of the following characteristics for at least a portion of its route: use of a High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lane, middle of the road boarding alignment, signal prioritization, or use of limited stop service, including express service and skip-stopping.~~

"New Construction~~ Pool~~ Project" ~~-~~– a QRRP projects applying for an allocation of tax-exempt private activity bonds~~ who~~ that meets at least one of the following: (1)~~ the definition of New Construction in Section 5170~~ 100% of its units constitute new units to the market, (2)~~ projects that~~ involves the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater or (3) adaptive re-use of non-residential structures, including hotels and motels that were converted to residential use within the previous 5 years from the date of the application.

"Person of Color/Woman-Owned Business Enterprise" or "PCWBE" means an entity which is at least 50% owned by one or more Persons of Color or at least 50% controlled by a non-profit organization with a Person of Color executive director ~~or~~ and board membership that is at least 50% Persons of Color, or is a Woman-Owned Business Enterprise as certified by the WOSB Federal Contracting Program. For purposes of this paragraph, Person of Color means "a person who checked the Black or African American, American Indian and Alaska Native, Asian, or Native Hawaiian and Other Pacific Islanders race category or who answered yes to the Hispanic Origin question on the 2020 United States Census or, if that data is not yet publicly available, the 2010 United States Census."

"PCWBE Project" means a Qualified Residential Rental Project for which the sponsor entity is a PCWBE. A PCWBE Project may be a New Construction Project, Rural project, Preservation Project, or Other Rehabilitation Project. A PCWBE Project does not include a project for which the qualifying sponsor or sponsor entity is eligible to receive maximum General Partner Experience points pursuant to Section 10325(c)(1)(A) of the TCAC regulations unless those points are awarded to a principle of the PCWBE~~ where there was no financial benefit from, or ownership interest in, those projects~~ who no longer is employed by the developer of, or has an ownership interest in, the project(s) which form the basis of the experience points.

"Preservation~~ Pool~~ Project" – a QRRP project~~s~~ applying for an allocation of tax-exempt bonds that is not a New Construction Project and meets at least one of the following: (1)~~ have~~ has a pre-1999 HCD loan that is being restructured pursuant to Section 50560 of the Health and Safety Code (AB 1699 projects) ~~and has not previously received an allocation of Low-Income Housing Tax Credits~~;~~ or~~ (2) any replacement or rehabilitation project approved by HUD pursuant to a Section 18 or 22 Demolition/Disposition authorization; (3) an~~ Federally-Assisted~~ At-Risk project that is not subject to a regulatory agreement imposing a rent restriction with a remaining term that is greater than five years from the year in which the application is filed that restricts income and rents on the residential units to an average no greater than 60% of the area median income; 4) any project being rehabilitated under the first component of the HUD Rental Assistance Demonstration (RAD) Program, or (5), a project that meets all of the following: (~~a~~A) the project (or projects, if more than one) is not currently encumbered with an existing CDLAC (via bond issuer), CTCAC, or other affordability regulatory agreement, with the exception of a regulatory agreement associated with a HUD Project-Based Section 8 or USDA Rental Assistance contract;~~ and~~ (~~b~~B) the project (or projects, if more than one) is subject to an existing project-based contract under Section 8 of the United States Housing Act of 1937 or any comparable rental assistance program that provides rental assistance to at least 50% of the units; and (~~c~~C) the project shall be required to complete rehabilitation work at a minimum of $60,000 in hard construction costs per unit, as defined in TCAC Regulation Section 10302(u), subject to the provisions of IRC Section 42(e)(3)(A)(ii)(I).

"Other ~~Affordable Pool~~Rehabilitation Project": a QRRP Projects applying for an allocation of tax-exempt private activity bonds from the General pool that~~ are~~ is not eligible for treatment as a New Construction or Preservation ~~p~~Project~~s~~. ~~This would include but not be limited to acquisition/rehabilitation projects and projects that involve both acquisition/rehabilitation and new construction. A~~ In a Competitive Application Process, a rehabilitation or acquisition and rehabilitation project must meet all of the following criteria:

1. Will complete at least $60,000 in hard construction costs per unit, as defined in TCAC Regulation Section 10320(u); and,
2. At least 60% of hard construction costs shall be expended only on immediate health and safety improvements, seismic and accessibility improvements and/or the replacement of major systems with a remaining useful life of less than ten years, as evidenced by a Capital Needs Assessment.

~~"Public Funds" means direct grants, below market rate or subsidized loans, loans where the repayment of the financing is deferred into the future or based on residual receipts from the Project's cash flow,~~

~~direct funds from a public source including, but not limited to, waiver of fees or the value of land donated or leased by a public agency substantiated either by the actual purchase price of the land or by an appraisal whichever is lower, excluding a property tax exemption. Public Funds do not include any Allocation awarded by the Committee.~~

"Qualified Project Period" shall mean the same as defined in 26 U.S.C. section 142(d)(2)(A) and regulations promulgated thereunder, except that the minimum term shall be ~~30 years~~ consistent with Section 5192.

~~"Substantial Renovation Project" means a multifamily residential rental project where the hard costs of rehabilitation, including overhead, profit, and general conditions, are at least $35,000 per tenant unit.~~

"TCAC/HCD Opportunity Area Map" shall have the same meaning as in Section 10302(vv) of the TCAC regulations. An applicant may choose to utilize the census tract or census block group resource designation, as applicable, from the TCAC/HCD Opportunity Maps in effect when the initial site control was obtained up to seven calendar years prior to the application. Projects located in map areas designated as "Missing / Insufficient Data" or similar designation shall be considered to be in the resource area that most frequently surrounds the perimeter of the Project's map area.

~~"VOC" means a volatile organic compound.~~

Reason: The changes make add, delete, and alter various definitions applicable to the QRRP Pool as follows:

1. *Define Cost-Adjusted Allocation for purposes of use in the scoring tie-breaker which accounts for cost differences in various regions of the state. The definition also includes any state tax credits that are part of the QRRP's financing structure so that those resources are also measured based on efficiency of use.*
2. *Update the At-Risk defined term to reflect that the cross-referenced statutes are no longer limited to developments that have received federal assistance but also to developments that have received specified state or local assistance. The change also corrects cross-references to the state statute.*
3. *Define a PCWBE Project which is eligible for the PCWBE Pool.*
4. *Delete the definitions of High Quality Transit, Substantial Renovation Project, and VOC as those terms would no longer be used in the scoring criteria of Section 5230.*
5. *Correct a drafting error in the New Construction Project definition that cross-referenced itself, importing the correct language from prior regulations.*
6. *Clarify that Preservation Projects exclude New Construction Projects.*
7. *Rename Other Affordable Projects as Other Rehabilitation Projects to better reflect the types of projects included in that pool, correct an inconsistency with the New Construction definition in the current regulations, and apply the existing minimum rehabilitation standards only in competitive CDLAC rounds. In other words, in an open round, projects could apply if they meet the lesser rehabilitation standards of Section 5210.*
8. *Make a conforming change to the Qualified Project Period definition to reflect the proposed changes in Section 5192 requiring 55 year regulatory terms for all QRRP projects (50 years for projects on Native American lands).*
9. *Define TCAC/HCD Opportunity Area Map consistent with the TCAC regulations.*

Reason: In response to public comment, the following definitions are proposed to be amended:

Community Revitalization Areas: This definition is being expanded to include areas that are recognized by federal and state agencies as having priority status for investment.

New Construction Project: This definition is amended to make allowances for recent conversions of hotels and motels in support of new state programs that support housing for the homeless.

PCWBE Project: This definition is amended to encourage PCWBE's to build capacity by hiring experienced leadership and provides an exception to the requirements when an otherwise experienced party has obtained no financial benefit from the projects which are counted as experience for the PCWBE sponsor.

Preservation Project: This definition is amended to further specify the types of projects that are considered eligible in this category in recognition of the public benefit provided and to limit *projects from seeking preservation status when they will remain regulated for at least another 5 years.*

Public Funds: With the introduction of leveraged soft resources consistent with TCAC's regulations, this definition becomes obsolete.

Reason: In response to public comment, the new changes proposed address the following:

<u>"Person of Color/Woman-Owned Business Enterprise" or "PCWBE"</u>: The change to this definition further specifies PCWBE eligibility by requiring that both the executive director and 50% of the non-profit board must be Persons of Color.

<u>PCWBE Project</u>: The new language for the proposed definition attempts to clarify that any previous financial interest in a project to gain experience points is permitted, but a current and on-going interest in such a project is not permitted for purposes of meeting the experience qualifications for a PCWBE Project.

<u>Preservation Project</u>: The new language for the proposed definition cleans up the previous draft concerning AB 1699 projects and their eligibility for the Preservation Pool if they have previously received an allocation of tax credits. Such projects are eligible for the Preservation Pool, but such projects that have received an allocation of tax credits are awarded fewer points in the Preservation scoring category.

Section 5180. Application Process. Applicants seeking an Allocation of the Qualified Residential Rental Project Pool shall be considered in accordance with the provisions of chapter 1 and the submission of a QRRP Application. If deficiencies in the application are identified by CDLAC staff, CDLAC Staff shall notify the Project Sponsor and the applicant, and the applicant will have ~~24 hours~~ five days from staff-issued notification to cure the deficiencies. If, after the ~~24 hours~~ five days, the deficiencies have not been corrected, as determined by CDLAC staff, the application will be deemed incomplete.

Reason: In response to public comment, Staff is proposing to adopt a process similar to what TCAC uses with regard to application deficiencies.

Section 5190 (a), (h) and (i)

(a) Demonstrated site control. The Applicant shall provide evidence that the Project site is at the time of Application submission within the control of the Applicant or Project Sponsor. A current <u>preliminary or final</u> title report, or, for projects that will be located on Native American Trust Lands, a Land Title Status Report from the Bureau of Indian Affairs or an attorney's opinion regarding chain of title and current title status, <u>all of which shall be</u> dated no more than ninety (90) days prior to Application deadline as provided in section 5030, shall be submitted with all applications for the purposes of this requirement. <u>A commitment for title insurance or a title insurance document are not acceptable substitutions for a preliminary title report, final title report, or a title report.</u>

(1)(A) The Applicant or Project Sponsor holds fee title as evidenced by the <u>current (within 90 days prior to the Application date) preliminary or final</u> title report;

(h) Project Description. Applicant shall submit a narrative description of the proposed Project, labeled as Attachment K. The description must contain, at a minimum, the following details: 1) the number of acres of the site (include topography and special features), 2) a description of the surrounding neighborhood, 3) the targeted population for the project (i.e., large families, seniors, etc.), 4) the expected start and completion date of construction/rehabilitation, 5) physical features of the project (i.e., description of buildings, grounds, project amenities, etc.), 6) unit configuration, 7) unit amenities, 8) scope of rehabilitation work, and 9) if applicable, a description of other unique features of the project. 10) The Application must include a checklist, Project Type and Characteristics, with the Applicant checking as many items as are applicable to the proposed Project. (A)(i) The Project has an existing HAP contract. Please attach existing contract as Attachment L, L-1, L-2, etc. (ii) The proposed Project is a<u>n</u> ~~Federally Assisted~~ At-Risk Project as defined in Section 5170 of the CDLAC Regulations.

(i) The proposed Project is a Low Income Housing Tax Credit Resyndication Project. (B) The proposed Project is a Mixed Income Project as defined in Section 5000 of the CDLAC Regulations. (C) The proposed Project is a Rural Project as defined in Section 5000 of the CDLAC Regulations. DO NOT CHECK if item (B), above, has been checked. (D) The proposed Project is a~~n Acquisition & Rehabilitation~~ Preservation Project. (E) The proposed Project is a New Construction Project~~ or Adaptive Reuse~~ as defined in Section 5170 of the CDLAC Regulations. DO NOT CHECK if item (C), above, has been checked. (F) The proposed Project is a single room occupancy (SRO) rental project. (G) The proposed Project is a senior citizens rental project. (H) The proposed Project is an assisted living rental project. (I) The proposed Project is a special needs ~~-~~housing rental project. (J) The proposed Project is eligible for the Homeless Set Aside. (K) The proposed Project is eligible for the Extremely Low/Very Low Income Set Aside. (L) The proposed Project is a PCWBE Project

(i) Detailed Unit Affordability Information. (1) The application will include the Federal Bond-Election of 20% at 50% Area Median Income, or 40% at 60% Area Median Income. (2) For~~ federally assisted~~ ~~a~~At-~~r~~Risk projects and 4% low income housing tax credit projects, this shall mean that the Project units must have Gross Rents that are restricted to households whose incomes must be 50% or less of the AMI; or Gross Rents that are restricted to households whose incomes must be 60% or less of the AMI. Applications not meeting this minimum requirement will be deemed incomplete. (3) The Application will include tables with the following information on the Restricted Rental Units: Number of Bedrooms/Number of Bathrooms, Unit Size in square feet, number of units in subtotals and total, total square feet per unit type in subtotals and total, proposed monthly tenant-paid rent per unit (excluding utilities), proposed monthly rental subsidy per unit, proposed monthly income per unit, monthly utility allowance, monthly gross rent, percent of Area Median Income based on monthly gross rent, and annualized total rental income. The Application will include another table, Market Rate Units, including number of bedrooms, unit square feet in subtotal and total, number of units, proposed monthly tenant-paid rent per unit (excluding utilities), total proposed tenant paid rent and annualized total rental income. Application will include a table, "Managers' Units" Restricted or Market Rate. The table will include columns for number of bedrooms, unit square feet in subtotal and total, number of units, proposed monthly manager-paid rent per unit, total proposed monthly manager-paid rent and annualized total rental income. Application will include a table with total number of units (excluding manager units), total number of restricted units, percent of total restricted units, number of units at or below 50% AMI, percent of units at or below 50% AMI, number of units above 50% to 60% AMI, percent of units above 50% to 60% AMI, number of restricted rental units with 3 or more bedrooms, and percent of restricted rental units with 3 or more bedrooms.

Applicants shall provide a breakdown of Project unit types, size, number of units, proposed tenant- paid rent, monthly utility allowances (if any), subsidies (if any) and unit percentage of Area Median Income (AMI) level based on monthly Gross Rent.

> *Reason: Clarification of acceptable title documents. The changes to these sections reflect the updated terms of At Risk Projects and Preservation Projects and require that applicants additionally state their eligibility for the PCWBE Pool and the Homeless and ELI/VLI Set Asides.*

Section 5191. Income and Rent Restrictions. All Qualified Residential Rental Projects must meet the following minimum income and rent restrictions, which will be included in the Committee Resolution.

(a) Minimum Income Restrictions. A minimum of ten percent (10%) of the units in a

Qualified Residential Rental Project must have Gross Rents that are restricted to households with incomes no greater than fifty percent (50%) of the AMI. The rent restricted units that meet this requirement, with the exception of Mixed Income~~ Pool~~ Projects, acquisition rehabilitation projects already subject to a Residential Rental Regulatory Agreement or a federal, state, or local operating or rental assistance agreement, and units located on the upper level floors of high-rise developments, shall be generally distributed in terms of location and number of bedrooms throughout the Project. All projects shall offer a range of sizes and number of bedrooms comparable to those units that are available to other tenants.

(b) Minimum Rent Restrictions. Except for projects subject to an existing Residential Rental Regulatory Agreement that propose tenant paid rents and income targeting not exceeding one hundred-five percent (105%) of the current rents and targeting and operate with a vacancy rate of no more than five percent (5%), for single room occupancy and special needs housing a vacancy rate of no more than ten percent

(10%) as demonstrated by a market study completed pursuant to 26 U.S.C. Section 42(m)(1)(A)(iii); the proposed tenant paid rents for each Restricted Rental Unit type (defined by bedroom count) in the proposed development shall be at least ten percent (10%) below the weighted average rent for comparable market rate units and each Restricted Rental Unit's value ratio (dollars per square foot) shall be at or below the weighted average unit value ratio for comparable market rate units as demonstrated in a Rent Comparability Matrix meeting the requirements of article 4 of this chapter.

(c) Utility Allowance Evidence. All Projects shall be subject to the use of Gross Rent as defined by Section 5170 and shall provide evidence in one of the following forms:

(1) A letter from the local public housing authority that includes a current utility allowance schedule, certifies that the proposed Project is located within its jurisdiction and itemizes which components of the utility allowance schedule applies to the Project. Projects that are subject to a Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments Program do not require a housing authority certification and may rely solely on the utility allowance included in a HUD rent schedule provided the schedule specifically identifies the name of the Project.

(2) If a Project is to be substantially retrofitted for energy conservation or will be newly constructed with substantial energy conservation, the Applicant may submit revised utility allowances based on the projected reduction in utility costs after construction or retrofit. The revised utility allowances shall be validated by either of the following:

(A) A letter from the public utility or housing authority having jurisdiction over the Project that validates the revised utility allowances based on the proposed use of energy conservation materials, or

(B) A current utility allowance estimate consistent with 26 CFR section 1.42-10 (4-1-17), which is hereby incorporated by reference. The Applicant must indicate which components of the utility allowance schedule apply to the Project. For buildings that are using an energy consumption model utility allowance estimate, the estimate shall be calculated using the most recent version of the California Utility Allowance Calculator (CUAC) developed by the California Energy Commission; and in accordance with the California Tax Credit Allocation Committee’s minimum requirements for utility allowance estimates, Title 4, Division 17, Chapter 1, Section 10322(h)(21).

> *Reason: The changes to these sections 1) reflect that Mixed Income Projects are proposed to compete in a New Construction Pool Set Aside, as opposed to a QRRP Pool, and 2) require all QRRP projects to use Gross Rents as a threshold criterion. Currently, use of Gross Rents is a scoring category, which is now proposed for elimination in Section 5230.*

Section 5192. Minimum Term of Restrictions. (a) Income and rent restrictions as identified in the Committee Resolution for the total number of units must be maintained for the Qualified Project Period. ~~For the purposes of subsection (1) and (2) of this section,~~ Except as provided in subdivision (b), the Qualified Project Period shall be fifty-five (55) years following the date on which fifty percent (50%) occupancy is achieved or otherwise commencement of the Qualified Project Period. Projects located on Native American Lands shall have a term of restriction of 50 years from the property lease effective date. ~~is that period which begins on the date when ten percent (10%) occupancy is achieved and ends on the later of:~~

~~(1) Thirty (30) years following the date on which fifty percent (50%) occupancy is achieved, or~~

~~(2) The date on which Bonds are no longer outstanding.~~

~~(3) For an acquisition/rehabilitation project where more than 10% of the units are available for occupancy within 60 days of the earlier of property acquisition or the bond issuance date, the Qualified Project Period begins 12 months after the bond issuance date and ends on the later of: (A) Thirty-one (31) years after the bond issuance date, or (B) the date on which Bonds are no longer outstanding.~~

(b) ~~All Projects shall be subject to subdivision (a) or subdivision (c) of this section, unless a~~ If a Project is intended for eventual tenant homeownership, ~~in which case~~ the applicant shall provide evidence of a financially feasible program ~~must be submitted~~ in the Application. The program shall include, but is not limited to, an exit strategy, home ownership counseling, funds to be set aside to assist tenants in the purchase of units, no involuntary relocation of tenants, and a plan for conversion of the facility to home ownership no sooner than the end of the initial 15-year Qualified Project Period as required by 26 U.S.C. section 142(d)(2)(A). In such a case, the regulatory agreement shall contain provisions for the enforcement of such covenants.

~~(c) If the round in which an Application is being considered has been established under an Open Application Process, the Committee shall increase the minimum term of restriction to fifty-five (55) years following the date on which fifty percent (50%) occupancy is achieved or otherwise~~

~~commencement of the Qualified Project Period. Projects located on Native American Lands shall have a term of restriction of 50 years from the property lease effective date.~~

Reason: The proposed changes require 55-year affordability, known as a 55-year Qualified Project Period, for all QRRP projects in both open and competitive CDLAC rounds. Currently, a 55-year term is only required in open rounds. In competitive rounds, the minimum affordability term is 30 years, and applicants receive points for agreeing to 55-year affordability. This point category is now proposed for elimination in Section 5230. A 55-year affordability term is the standard across most state multifamily rental housing finance programs.

Section 5205. Minimum Requirements.

(a) Applicants shall provide a certification that the ~~following~~ minimum specifications pursuant to Section 10325(f)(7)(A) thru (J) of the CTCAC Regulations will be incorporated into the project design for all new construction and rehabilitation projects. ~~The requirements of subsections (2) through (9) of this section are only applicable when investment in such elements is proposed in the Project's scope of work and/or the Capital Needs Assessment:~~

~~(1) Energy Efficiency. All rehabilitation projects shall have improved energy efficiency above the modeled energy consumption based on existing conditions, with at least a ten percent (10%) post- rehabilitation improvement over existing conditions. Scattered-site rehabilitation projects shall also have at least a five percent (5%) improvement over existing conditions at each location. In the case of projects in which energy efficiency improvements have been completed within five years prior to the application date pursuant to a government program or a public or regulated utility program that established existing conditions of the systems being replaced using a HERS Rater, the applicant may include the existing conditions of those systems prior to the improvements.~~

~~(2) Landscaping. A variety of plant and tree species that require low water use shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs. Projects shall follow the requirements of the State's Model Water Efficient Landscape Ordinance (Title 23, California Code of Regulations, Section 490 et seq.) (http://www.water.ca.gov/wateruseefficiency/landscapeordinance/) unless a local landscape ordinance has been determined to be at least as stringent as the current model ordinance.~~

~~(3) Roofs. Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.~~

~~(4) Exterior Doors. Insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad, hardwood faces, or fiberglass faces; with all six sides factory primed and subject to a standard one-year guarantee.~~

~~(5) Appliances. Refrigerators, dishwashers, clothes washers and clothes dryers provided or replaced within low-income units and/or in on-site community facilities shall be ENERGY STAR rated appliances, unless waived by the Executive Director. All waivers must be submitted to CDLAC at least ten (10) business days prior to the application deadline~~

~~(6) Window Coverings. Window coverings shall be provided and may include fire retardant drapes or blinds.~~

~~(7) Water Heater. For units with individual tank-type water heaters, minimum capacities are to be 28 gallons for one-bedroom and two-bedroom units and 38 gallons for three-bedroom and larger units.~~

~~(8) Floor Coverings. A hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. All carpeting shall comply with U.S. Department of Housing and Urban Development/Federal Housing Administration UM44D.~~

~~(9) Insulation. All fiberglass-based insulation shall meet the requirements as established by the~~

~~California Tax Credit Allocation Committee, Title 4, Division 17, Chapter 1, Section 10325 (f)(7)(I).~~

~~(b) If a rehabilitation project's Applicant does not propose to meet the requirements of this section, its capital needs Assessment must show that the standards not proposed to be met are either unnecessary or excessively expensive. If section 5205(a)(1) specifically is not being met, a qualified energy consultant shall provide documentation stating what energy improvements would achieve the 10% improvement, the cost of such improvement(s), and a statement describing why the improvements would be unnecessary and/or excessively expensive.~~

~~(c) Compliance and Verification. Projects that receive an award of low income housing tax credits (LIHTC) shall submit evidence of compliance to TCAC with the Placed in Service Application. Projects that receive a Qualified Residential Rental Bond allocation, and do not receive a LIHTC award, shall submit evidence of compliance to CDLAC. For projects under construction or rehabilitation, the information is due following receipt of the verification, but in no event shall this documentation be submitted more than two years after the issuance of bonds.~~

~~(1) Projects subject to subdivision (a)(1) must submit the California Energy Commission HERS II energy consumption and analysis report, which shows the pre-rehabilitation and post-rehabilitation HERS II estimated annual energy use demonstrating the required improvement.~~

~~(2) For subdivisions (a)(2) through (a)(9), Applicants shall submit third party documentation from one of the following sources confirming the existence of items, measures, and/or project characteristics:~~

~~A. A certified HERS Rater;~~

~~B. A certified GreenPoint Rater; or~~

~~C. A US Green Building Council Certification~~

~~(3) Failure to produce appropriate and acceptable third party documentation for subdivisions~~

~~(a) (1) through (a)(9) of this section may result in negative points.~~

Reason: The change aligns these regulations with the proposed requirements in the CTCAC Regulations related to energy efficiency and minimum construction standards.

Reason: This new change is a technical correction that retains the existing basic building code requirements for bond-financed projects.

Section 5210(b)

(b) ~~Federally Assisted~~ At Risk Projects that receive only an award of Bond authority and do not receive low income housing tax credits, must spend the minimum amount required by 26 U.S.C. section 147(d)(2).

Reason: The change reflects the updated term of At Risk Projects.

Section 5220(c)(2)

(c) For projects receiving allocation after December 31, 2016, The Bond Regulatory Agreement will:

(1) Incorporate the CDLAC resolution by reference and as an attachment;

(2) Have a term consistent with the income and rental restrictions established in the Resolution. The Bond Regulatory Agreement shall terminate in ~~an Open Application process~~ 55 years (50 years for Projects located on Native American Lands)~~, and in a Competitive Application Process 30 years,~~ from the date 50% occupancy is achieved or the commencement of the CDLAC Qualified project period, whichever date is earlier;

Reason: The change to this section describing required contents of the bond regulatory agreement reflects the proposal in Section 5192 to require 55-year affordability for all QRRP Projects.

Reason: This new change is a technical correction that accommodates projects on tribal land.

5230. Evaluation Criteria.

~~(a) The following criteria will be used to evaluate and rank all Applications whether for Mixed Income Projects, Rural Projects or other Qualified Residential Rental Projects. Any points awarded in this section shall be rounded to the nearest one-tenth decimal place unless otherwise stated in this section. Each of the items in this section shall be memorialized in the Committee Resolution.~~

~~(b) Preservation Projects. Projects meeting the following criteria shall receive the following points, up to a maximum of 20 points:~~

~~(1) a project subject to a Residential Rental Regulatory Agreement or a local, state, or federal rental or operating assistance contract, or a project subject to an expired residential rental agreement that continues the rental structure prescribed by the expired residential rental agreement, as demonstrated by a copy of the executed agreement or contract, shall receive ten (10) points;~~

~~(2) a project eligible for points under subdivision (b)(1) shall receive an additional ten (10) points if it receives state or federal rental assistance or a state, federal, or local operating subsidy and, as a result, the rents are limited in at least fifty percent (50%) of the Project's tenant units to no more than thirty percent (30%) of each such unit's tenants' income, as demonstrated by a copy of the executed agreement or contract;~~

~~(3) a Project eligible for points under subdivision (b)(1) shall receive an additional ten (10) points if it has income restricted tenant paid rents for each Restricted Rental Unit type that on average are at least twenty percent (20%) below rents for the same unit types in comparable market rate rental properties, as demonstrated in a market study meeting the requirements of section 5200(e) and in a table utilizing three (3) market comparable properties for each restricted unit type in the Project. Projects currently subject to Hold Harmless Rents pursuant to the 2008 Federal Housing and Economic Recovery Act may continue to use Hold Harmless Rents in an application when rents are below federal set-aside limits and applicable state requirements. If the project is currently subject to Hold Harmless Rents, Applicant must provide the year the project was placed in service.~~

~~(c) Exceeding the Minimum Income Restrictions (35 points maximum for Qualified Residential Rental Projects other than Mixed Income Projects, 15 points maximum for Mixed Income Projects). Points will be awarded as set forth below for the percentage of units that are Restricted Rental Units. The Gross Rent definition will apply to the rents calculated in this subdivision.~~

~~(1) For each ten percent (10%) increment of units restricted at fifty percent (50%) of AMI or below, Qualified Residential Rental Projects other than Mixed Income Projects will receive seven (7) points, and Mixed Income Projects will receive three (3) points (fractional percentages above the minimum 10% increment will be calculated on a pro rata basis and the total points calculated will be rounded to the nearest whole number).~~

~~(2) For each ten percent (10%) increment of units restricted at greater than fifty percent (50%) of AMI, and up to sixty percent (60%) of AMI, Qualified Residential Rental Projects other than Mixed Income Projects will receive two (2) points, and Mixed Income Projects will receive one-half (½) point.~~

~~(d) Gross Rents (5 points).~~

~~(1) Five (5) points will be awarded to Projects that are not subject to the use of Gross Rents but voluntarily do so to define Restricted Rental Units as evidenced by one of the following:~~

~~(A) A letter from the local public housing authority that includes a current utility allowance schedule, certifies that the proposed Project is located within its jurisdiction and itemizes which components of the utility allowance schedule applies to the Project. Projects that are subject to a Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments Program do not require a housing authority certification and may rely solely on the utility allowance included in a HUD rent schedule provided the schedule specifically identifies the name of the Project.~~

~~(B) If a Project is to be substantially retrofitted for energy conservation or will be newly constructed with substantial energy conservation, the Applicant may submit revised utility allowances based on the projected reduction in utility costs after construction or retrofit. The revised utility allowances shall be validated by either of the following:~~

~~1. A letter from the public utility or housing authority having jurisdiction over the Project that validates the revised utility allowances based on the proposed use of energy conservation materials, or~~

~~2. A current utility allowance estimate consistent with 26 CFR section 1.42-10. The Applicant must indicate which components of the utility allowance schedule apply to the Project. For buildings that are using an energy consumption model utility allowance estimate, the estimate shall be calculated using the most recent version of the California Utility Allowance Calculator (CUAC) developed by the California Energy Commission; and in accordance with the California Tax Credit Allocation Committee's minimum requirements for utility allowance estimates, Title 4, Division 17, Chapter 1, Section 10322(h)(21).~~

~~(e) Exceeding the Minimum Rent Restrictions (10 points maximum). One (1) point will be awarded for each percentage point the highest rental rate of each Restricted Rental Unit type (defined by bedroom count) is more than twenty percent (20%) below the average adjusted rental rates of comparable units as demonstrated by each applicable Rent Comparability Matrix. . . .~~

~~(f) Exceeding the Minimum Term of Restrictions (10 points maximum). If the Committee establishes a Competitive Application Process, Applications that maintain the Qualified Project Period for longer than thirty (30) years will be awarded two (2) points for every five (5) years of affordability beyond thirty (30) years.~~

~~(g) Large Family Units (5 points). Five (5) points will be awarded to those Projects where at least twenty-five percent (25%) of the Restricted Rental Units are three-bedroom or larger units.~~

~~(h) Leveraging (10 points maximum).~~

~~(1) Applications that include Public Funds as a permanent funding source are eligible for points.~~

~~All Public Funds must be committed by a public entity at the time of Application. Evidence provided shall signify the form of the commitment, the amount of the loan, grant or subsidy, the length of the term of the commitment, conditions of participation, express authorization from the governing body or an official expressly authorized to act on behalf of said governing body, committing the funds, and the Project Sponsor's acceptance. Commitments shall be final and only subject to conditions within the control of the Project Sponsor. Funding commitments shall be from funds within the control of the entity making the commitment at the time of the Application. One (1) point will be awarded for every dollar of Public Funds committed as a percentage of total development costs (minus developer fees).~~

~~(2) Applications that include Taxable Debt as a permanent funding source, in addition to tax-exempt Bond financing, are eligible for points based on the degree that the Taxable Debt supplants the use of tax-exempt Bond financing. The requirement for using Taxable Debt will be included in the Committee Resolution. Taxable Debt may only be utilized for project related expenses, not for the cost of issuance, for which the Applicant could otherwise have used tax-exempt financing in order to receive points under this category. One-half (1/2) of a point will be awarded for every dollar of Taxable Debt committed as a percentage of total development costs (minus developer fees).~~

~~(i) Community Revitalization Area Criteria (5 points). Projects meeting the following criteria will receive 5 points:~~

~~(1) The project is located within:~~

~~(A) any Qualified Census Tract or equivalent geographic area defined by the Census Bureau in which at least fifty percent (50%) of the households have an income of less than sixty percent (60%) AMI; or~~

~~(B) a Federal Promise Zone; and~~

~~(2) The development will contribute to a concerted Community Revitalization Plan as demonstrated by a letter from a local government official. The letter must delineate the community revitalization efforts, including but not limited to:~~

~~(A) community enhancement services in the neighborhood, including but not limited to, job training or after-school enrichment programs;~~

~~(B) funds, not including funds for the proposed project, that have been expended in the past three (3)~~

~~years, that are being expended or that are committed to be expended to improve the community infrastructure, including, but not limited to, parks, storm water systems, sewer systems, or street improvements of the overall area;~~

~~(C) projects, including but not limited to, retail, office and housing that contributes to community revitalization that have been completed within the past three (3) years, are underway or are committed to be completed; and~~

~~(D) how the project would contribute to the community's revitalization.~~

~~(j) Site Amenities (10 points maximum)~~

~~(1) The Committee will award points to Applications with site amenities as described in this subdivision. Except as specifically set forth in this section, points will be awarded only for those amenities that exist at the time of Application. Applicants requesting points for site amenities that do not currently exist must include a letter from the controlling entity, signed by an authorized individual representing the entity, that states the funds for the amenity are committed, and the amenity is planned. The letter shall also state the anticipated date for the amenity to be placed in service, which shall not be more than two (2) years after the date the Project is anticipated to be placed in service.~~

~~(2) Points will be awarded provided the site amenities are appropriate for the population served, and a scaled-for-distance map showing the location of the Project and amenities is provided as follows:~~

~~(A) Points will be awarded for the following Transit amenities:~~

~~1. Two and one-half (2 ½) points for projects located within one-third (1/3) mile of a Public Transit Corridor or, for Rural Projects where there is no public transportation system, to projects using a van or dial-a-ride service; or~~

~~2. Two and one-half (2 ½) points for projects located within one-half (1/2) mile of a High Quality Transit stop or station.~~

~~3. Projects eligible for points in subsection (A)(1) or (2) will receive the following additional points for committing to provide to residents monthly passes for the transit amenity for which the project received points at no cost or priced at no more than half of retail cost. Passes shall be made available on a first-come, first-served basis to all tenants of rent-restricted units for at least 15 years:~~

~~a. three (3) points for at least one pass per rent-restricted unit.~~

~~b. one and one-half points (1½) for at least one pass per each 2 Rent-Restricted units.~~

~~(B) Two and one-half (2 ½) points will be awarded to Projects located within one-half (½) mile of a park or recreational facility.~~

~~(C) Points will be awarded under 1 of the 2 following categories: i) Two and one-half (2 ½) points will be awarded to Projects located within one-half (½) mile (1 mile for Rural Projects) of a full service grocery store of at least 25,000 gross interior square feet; or ii) Two and one-half (2 ½) points will be awarded to Projects located within one-fourth (1/4) mile (one-half (½) mile for Rural Projects) of a full service grocery store of at least 5,000 gross interior square feet. Evidence shall include, but is not limited to, the following: a signed letter from a county assessor or city planner for that jurisdiction certifying the square footage of the grocery store, a letter from the store manager, or a letter from the Project's architect. The letter must state the square footage of the grocery market. A full service grocery store shall mean for the purpose of this section a store or market that provides at minimum, food staples, fresh meats and/or poultry, dairy products, and produce, as well as other personal and household products and sundries.~~

~~(D) Two and one-half (2 ½) points will be awarded to Projects located near a school. The site is within 1/4 mile of a public elementary school; 1/2 mile of a public middle school; or one (1) mile of a public high school that children living in the development may attend (an additional 1/2 mile for each public school type for Rural projects) and that the site is within the attendance area of that school. Projects where all units are restricted to households having members 55 years or older, shall not be eligible for points in this category. Evidence shall include, but is not limited to, the following: a signed letter from the school district with the appropriate Project address stating said address is within the boundaries of the school, or documentation from an internet-based school locator tool.~~

~~(E) Two and one-half (2 1/2) points will be awarded to Projects located within:~~

~~1. 1/2 mile (for Rural set-aside projects, 1 mile) of a medical clinic:~~

~~a. that has a physician, physician's assistant, or nurse practitioner onsite for a minimum of 40 hours each week, and~~

~~b. that accepts Medi-Cal and Medicare payments, or Health Care for the Homeless for projects housing homeless populations, or that has an equally comprehensive subsidy program for low-income patients; or~~

~~2. 1 mile (for Rural set-aside projects, 1.5 miles) of a hospital (not merely a private doctor's office); or~~

~~3. 1/2 mile (for Rural projects, 1 mile) of a pharmacy.~~

~~(F) Two and one-half (2 ½) points will be awarded to Projects located within one-half (½) mile of a public library.~~

~~(G) Two and one-half (2 ½) points will be awarded to Projects which provide high speed internet or wireless "WiFi" service connection in each unit. High speed internet service, with a minimum average download speed of 768 kilobits/second must be made available to each unit for a minimum of 15 years, free of charge to the tenants, and available at the time of the project's placed-in-service date.~~

~~(k) Sustainable Methods (10 points maximum).~~

~~(1) Points will be awarded provided that the Project Sponsor and the licensed Project architect each submit a certification indicating which items, commencing with subdivision (k)(3) of this section, will be included in the Project's design and any relevant specifications. For the purposes of this paragraph, "certification" by the Project Architect has the same meaning as set forth in Business and Professions Code Section 5536.26.~~

~~(2) The Project Sponsor shall submit a certification at Project completion from the Project's licensed architect that the design elements that formed the basis for any award of points pursuant to subdivision (k) have been met or exceeded. For the purposes of this paragraph, "certification" by the Project Architect has the same meaning as set forth in Business and Professions Code Section 5536.26. A Project Sponsor may be subject to monitoring for compliance with this certification. A Project Sponsor receiving points under subdivision (k) who fails to meet this requirement will be subject to negative points under subdivision (n) of this section.~~

~~(3) Five (5) points will be awarded to Projects that commit to no irrigation, or to irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens) provided that the offset of potable water equals or exceeds 10,000 gallons annually.~~

~~(4) Two (2) points will be awarded to Projects that commit to having at least one (1) nonsmoking building. If the proposed Project contains only one (1) building, the Project is subject to a policy developed by the Sponsor that prohibits smoking in contiguous designated units. In both circumstances these restrictions shall be incorporated into the lease agreements for the appropriate units.~~

~~(5) Two (2) points will be awarded to Projects that commit to a parking ratio equivalent to or less than 1 parking stall per single room occupancy or one-bedroom restricted rental unit and 1.5 parking stalls per two-bedroom or larger restricted rental unit.~~

~~(6) New Construction and Adaptive Reuse Projects: Up to five (5) points will be awarded to projects that commit to developing the project in accordance with the California Tax Credit Allocation Committee's minimum requirements for energy efficient programs, Title 4, Division 17, Chapter 1, Section 10325 (c).~~

~~(7) New Construction and Adaptive Reuse Projects: Points shall be awarded according to the California Tax Credit Allocation Committee's minimum requirements for energy efficiency programs, Title 4, Division 17, Chapter 1, Section 10325 (c).~~

~~(8) Rehabilitation Projects: Points are awarded based on the energy efficiency criteria described for Rehabilitation Projects in The California Tax Credit Allocation Committee regulations, Title 4, Division~~

~~17, Chapter 1, Section 10325(c).~~

~~(9) Compliance and Verification. The form of evidence shall follow that described in Title 4, Division 17, Chapter 1, Section 10325(c). Projects that receive an award of low income housing tax credits (LIHTC) shall submit evidence of compliance to TCAC with the Placed in Service Application. Projects that receive a Qualified Residential Rental Bond allocation, and do not receive a LIHTC award, shall submit Evidence of Compliance to CDLAC.~~

~~(l) Service Amenities (10 points maximum).~~

~~(1) Points will be awarded provided the Project Sponsor certifies the following:~~

~~(A) Service amenities must be appropriate to the tenant population served and committed to for a minimum of fifteen (15) years. Programs must be of a regular, ongoing nature and provided to tenants free of charge, except for day care services. Services must be designed to generate positive changes in the lives of tenants, such as increasing tenant knowledge of and access to available services, helping tenants maintain stability and prevent eviction, building life skills, increasing household income and assets, increasing health and well-being, or improving the educational success of children and youth.~~

~~(B) Services must be provided on-site except that Projects may use off-site services within a one-half (½) mile of the Project (one and one-half (1½) miles for Rural projects) provided that they have a written agreement with the service provider at the time of Application enabling the development's tenants to use the services free of charge (except for day care and any charges required by law) and that demonstrate that provision of on-site services would be duplicative. Projects may use off-site services located more than one-half (½) mile from the Project (one and one-half (1½) miles for Rural projects) provided that they have a written agreement with the service provider at the time of Application enabling the development's tenants to use the services free of charge (except for day care and any charges required by law) and that demonstrate that provision of on-site services would be duplicative, and a written agreement at the time of Application demonstrating that tenants will be provided with free of charge round-trip transportation between the development and the off-site services. Referral services will not be eligible for points.~~

~~(C) Contracts with service providers, service provider experience, and evidence that physical space will be provided on- or off-site must be documented within the Application. Documentation must be provided for each category of services for which the Applicant is claiming service amenity points and must state the name and address of the organization or entity that will provide the services; describe the services to be provided; state annual value of the services; commit that services will be provided for a period of at least one (1) year; and name the project to which the services are being committed. Evidence shall take the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead. Services delivered by the on-site Property Manager or other property management staff will not be eligible for points under any category. All organizations~~

~~providing services for which the project is claiming points must document that they have at least 24 months of experience providing services to the project's target population. Experience of individuals may not be substituted for organizational experience.~~

~~(D) The Application must propose a combined annual value of at least $10,000, or $5,000 for Projects of twenty (20) units or fewer, for those services. In addition, any donated services must be assigned a dollar value by the provider of those services. Applications must contain a detailed budget clearly displaying all anticipated income and expenses associated with the Project's services program.~~

~~(2) Points will be awarded in this subdivision as follows:~~

~~(A) Five (5) points to family Projects with after school programs of an ongoing nature. Programs shall include, but are not limited to: tutoring, mentoring, homework club, art and recreation activities. Programs shall be provided on weekdays throughout the school year for at least 10 hours per week.~~

~~(B) Five (5) points to Projects with instructor-led educational classes, health and wellness, or skill building classes, including but not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation, and smoking cessation. Instruction is to be provided a minimum of 84 hours per year (drop-in computer labs, monitoring or technical assistance shall not qualify).~~

~~(C) Five (5) points to Projects with licensed childcare providing 20 hours or more per week (Monday through Friday) to residents of the development.~~

~~(D) Five (5) points to Projects with wellness services and programs, such services and programs shall provide individualized support for tenants (not group classes) but need not be provided by licensed individuals or organizations. The services and programs shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. The services and programs shall be provided for a minimum of 100 hours per year.~~

~~(E) Five (5) points to Projects with a full time-equivalent (FTE) bona fide service coordinator/social worker available, provided that the experience of the coordinator, the duties of the coordinator and a budget to pay for the coordinator are included in the Application. The minimum number of hours per year for the full time-equivalent service coordinator/social worker will be calculated based on the formula: 1) the number of bedrooms X 0.0017 = FTE multiplier; then 2) FTE Multiplier X 2,080 = minimum number of hours per year (up to a maximum of 2,080 hours). The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)~~

~~(m) New Construction and Substantial Rehabilitation Projects (10 points). Ten (10) points will be awarded to new construction, substantial renovation or adaptive re-use Projects with Restricted Rental Units.~~

~~(n) For projects subject to the Competitive Application Process, one (1) point will be awarded for each one percent (1%) of foregone eligible developer fee, as determined by the California Tax Credit Allocation Committee, pursuant to Title 4, Division 17, Chapter 1, Section 10327, up to a maximum of ten (10) points.~~

~~(o) Negative Points (No maximum).~~

~~(1) The Committee will deduct points for an Application involving a Project Sponsor that has been or is a Related Party to a Project Sponsor (i.e. in the ownership structure) for which an Allocation has been awarded as follows:~~

~~(A) Ten (10) points will be deducted for each failure to fully utilize the committed public subsidies or Taxable Debt for which points were awarded in connection with the prior Allocation, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control or the amount not utilized is not material. This deduction will be assessed against the Project Sponsor for a period of two (2) calendar years (10 points each year) from the date on which the prior Allocation was awarded.~~

~~(B) Ten (10) points will be deducted for each failure to issue Bonds that results in the full amount of the Allocation reverting back to the Committee, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control. This deduction will be assessed against the Project Sponsor for a period of two (2) succeeding years (10 points each year) following the year Allocation was awarded.~~

~~(C) Ten (10) points will be deducted for each failure to spend the proceeds of Bonds issued pursuant to an Allocation in full, or in accordance with the terms and conditions of the Committee Resolution, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control, the amount not spent is not material, or the deviation from the terms and conditions of the Committee Resolution is not material. This deduction will be assessed against the Project Sponsor for a period of three (3) calendar years (10 points each year) from the date of determination of failure to spend proceeds.~~

~~(D) Ten (10) points will be deducted for failure to comply with any provision of the Committee Resolution, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control. This deduction will be assessed for a period of three (3) calendar years (10 points each year) from the date of determination of non-compliance with the Committee Resolution.~~

~~(2) Where TCAC has determined an Application for tax credits involving a Project Sponsor that has been or is a Related Party to a Project Sponsor who is subject to negative points under its regulations, CDLAC will deduct an equal amount of points for an equal period of time from tax exempt bond applications~~

~~involving the Project Sponsor or a Related Party to the Project Sponsor.~~

~~(3) Where TCAC has determined an Applicant for tax credits involving a Project Sponsor that has been a Related Party to a Project sponsor who is subject to any type of determination of ineligibility, CDLAC will recognize the length of ineligibility and apply it to the tax exempt bond applications involving the Project Sponsor or Related Party to the Project Sponsor.~~

~~(4) Multiple or repeated failures of subdivisions (n)(1) or (3) of this section may result in the Committee finding Applications involving the Project Sponsor ineligible for consideration of an Allocation.~~

(a) The following criteria will be used to evaluate and rank all Qualified Residential Rental Project applications. Each of the items in this section shall be memorialized in the Committee Resolution.

(b) Preservation and Other Rehabilitation Project Priorities (~~10~~ 20 points maximum; New Construction Projects not eligible for these points). Preservation and Other Rehabilitation Projects ~~[Note: This covers the Preservation and Other Rehabilitation Pools because the Section 22 projects are not currently eligible for the Preservation Pool and the criteria of (3) are different than those currently employed in the Preservation Pool definition]~~ meeting the following criteria shall receive points in the highest scoring category only:

(1) An At Risk Project, or a project in which lower-income rent and income restrictions on at least 50 percent of the total units pursuant to a regulatory agreement with a public entity will terminate or be eligible for termination within five years of application with no other rent and income restrictions remaining, or any replacement or rehabilitation project approved by HUD pursuant to a Section 18 or 22 Demolition/Disposition authorization, or any project being rehabilitated under the first component of the HUD Rental Assistance Demonstration (RAD) Program shall receive ~~10~~ 20 points.

(2) A project that meets ~~at least one of~~ the following shall receive ~~7~~ 14 points:
~~(A) A replacement or rehabilitation project approved by HUD pursuant to a Section 18 or Section 22 Demolition/Disposition authorization;~~
~~(B) A project being rehabilitated under the HUD Rental Assistance Demonstration (RAD) Program; or~~
~~(C)~~ (A) A project with a pre-2000 HCD loan that is being restructured pursuant to Section 50560 of the Health and Safety Code (AB 1699) that has not previously received an allocation of Low-Income Housing Tax Credits.

(3) A project that receives governmental assistance on at least 50 percent of the units pursuant to any of the following and that has not previously received an allocation of Low-Income Housing Tax Credits shall receive ~~3~~ 6 points:
(A) Project-Based Section 8 or Rent Supplement,
(B) USDA Rent Supplement,
(C) Section 236 Financing,
(D) Section 221(d)(3) Financing,
(E) USDA 514 or 515 Financing, or
(F) Department of Housing and Community Development Financing (~~other than~~ including AB 1699 projects that have previously received an allocation of Low-Income Housing Tax Credits).

(c) New Construction Density and Local Incentives (10 points maximum; Preservation Projects and Other Rehabilitation Projects not eligible for these points). A New Construction Project that meets any of the following shall receive 10 points:

(1) The local jurisdiction has approved the project pursuant to Section 65913.4 of the Government Code, at a density greater than that allowed by the site's zoning through the use of a density bonus allowed by Government Code Section 65915 or a local ordinance, or with concessions and/or waivers granted pursuant to Government Code Section 65915;

(2) The project is being developed at a per net acre density that meets or exceeds one of the following criteria:
(A) 100 bedrooms per net acre in a metropolitan county;
(B) 60 bedrooms per net acre in a suburban jurisdiction;
(C) 40 bedrooms per net acre in all other areas.
For the purposes of this paragraph, "net acre" is defined as the acreage within the parcel boundaries after subtracting any area affected by the dedication of public right-of-way, the presence of restrictive easements, and non-buildable areas. "Metropolitan county" and "suburban jurisdiction" shall have the

same meaning as in Section 65583.2 of the Government Code. Projects with land-use approvals obtained prior to January 1, 2022 shall earn full points in this category.

(3) The project is located in a city or unincorporated portion of a county for which HCD has designated the city or county, respectively, as pro-housing pursuant Section 65589.9(c) of the Government Code.

(d) Exceeding Minimum Income Restrictions (20 points maximum). A project shall receive points in either of the following manners:

(1) 2 points for each full percent that the average affordability of tax credit units is less than 60% of area median income subject to the Gross Rent definition; or

(2) 20 points if the average affordability of tax credit units is less than or equal to 60% of area median income, provided that at least 10% of tax credit units are restricted at or below 30% of area median income and an additional 10% of tax credits units are restricted at or below 50% of area median income, subject to the Gross Rent definition.

(e) Exceeding Minimum Rent Restrictions (10 points maximum). A project shall receive one point for each full percent that the average affordability of tax credit units is more than ten percent (10%) below the average adjusted rental rates of comparable units as demonstrated by each applicable Rent Comparability Matrix. This percentage shall be calculated separately for units of each bedroom count, and the score shall be based ~~solely~~ on the lowest percentage difference from the average adjusted rental rates of comparable units, with the results for each unit type weighted relative to the percentage of tax credit units of that type in the project, and the resulting percentage shall be used to determine the final point score. In cases where unit sizes of the same unit type vary, the smallest of these units shall be the basis for comparison. When family comparables are used in addition to senior comparables (outside the 1-mile radius) points will be calculated using the family comparables.

(f) General Partner and Management Company Experience (10 points maximum).

(1) A project shall receive general partner experience points in one of the following manners:
(A) The number of general partner experience points for which it is eligible pursuant to Section 10325(c)(1)(A) of the TCAC regulations.
(B) 7 points if the project is a joint venture between an entity which receives maximum general experience points pursuant to Section 10325(c)(1)(A) of the TCAC regulations and a PCWBE, provided that the partnership agreement (i) allocates a share of the developer fee, cash flow, and net sale proceeds to the PCWBE that is equal to or greater than the share to the entity with maximum general experience points and (ii) provides the PCWBE Developer an option to purchase the development.
(C) 7 points if the sole sponsor is a PCWBE that (i) is a general partner in at least one Low-Income Housing Tax Credit development that has received a certificate of occupancy, or if a rehabilitation project, completed rehabilitation, within five years of the date of application, (ii) submits the certification from a third party certified public accountant referred to in Section 10325(c)(1)(A)(i) of the TCAC regulations for that development, (iii) demonstrates to the satisfaction of the ~~executive director~~ Executive Director adequate in-house or contracted knowledge, skills, experience, and financial capacity to successfully develop, own and operate the proposed project, and (iv) completes training as prescribed by TCAC prior to a project's placing in service.

(2) A project shall receive management company experience points in one of the following manners:
(A) The number of management company points for which it is eligible pursuant to Section 10325(c)(1)(B) of the TCAC regulations.
(B) 3 points if the management company will be the PCWBE for which the project receives general partner experience points pursuant to paragraph (1)(C).

(g) Housing Types (10 points maximum; Preservation Projects and Other Rehabilitation Projects not eligible for these points). A New Construction Project ~~project~~ that meets any of the following criteria shall receive 10 points:

(1) The project meets the criteria for any of the housing types described in Section 10325(g) of the TCAC regulations. Points will be awarded only in one housing type~~, except that acquisition and/or rehabilitation Scattered Site Projects may, at the applicant's election, be scored either in the aggregate or proportionately based upon (A) each site's score, and (B) the percentage of units represented by each site~~;

(2) The project meets the requirements of subdivision (c) of this section or is a New Construction Project

that obtained all land use approvals prior to January 1, 2022.

(h) Leveraged Soft Resources (8 points maximum). A project shall receive 1 point for each full percent that leveraged soft resources defraying residential costs represent as a percentage of total residential project development costs, except that a New Construction Project that receives points as a Large Family~~,~~ or Special Needs~~, or SRO~~ project pursuant to the conditions specified in Section ~~5230(g)~~ 5230(j)(1)(A) and is located in a High or Highest Resource Area as specified on the TCAC/HCD Opportunity Area Map shall receive 2 points for each full percent of leveraged soft resources. For purposes of this subdivision, leveraged soft resources shall have the same meaning as in Section 10325(c)(9) of the TCAC regulations, except that public contributions of off-site costs shall not reduce leveraged soft resources for purposes of this scoring category. ~~In lieu of any or all of the foregoing points available in this scoring category, a project may earn up to 8 points in this scoring category by earning up to an additional 8 points above the maximum points pursuant to Section 5230(l).~~

(i) Readiness to Proceed (10 points maximum). A project shall receive the number of points for which it is eligible pursuant to Section 10325(c)(7) of the TCAC regulations, except that the applicant shall commit to commence construction within 180 days of the bond allocation. Projects that receive the maximum number of points pursuant to this subdivision shall submit ~~evidence~~, within ~~that~~ the time period specified in Section 5100(3)(b)(i), evidence that meets the requirements of Section 10325(c)(7) of the TCAC regulations. ~~of: an executed construction contract, recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this), binding commitments for permanent financing, binding commitments for any other financing required to complete project construction, a limited partnership agreement executed by the general partner and the investor providing the equity, an updated TCAC Attachment 16, payment of all construction lender fees, issuance of building permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design-build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents, and notice to proceed delivered to the contractor. If no construction lender is involved, evidence must be submitted within 180 days after the allocation is made that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.~~ Failure to meet the ~~180-day~~ applicable due date ~~shall~~ may result in rescission of the bond allocation and/or negative points.

(j) Affirmatively Furthering Fair Housing (20 points maximum).

(1) A project shall receive points in only one of the following manners:
(A) 20 points if the project receives points as a Large Family project or Special Needs project pursuant to Section 5230(g) (except the Special Needs project shall have at least 50% of its units set aside as permanent supportive housing for the homeless), is located in a High or Highest Resource Area as specified on the TCAC/HCD Opportunity Area Map, and at least 10% of tax credit units shall be restricted at 30% of area median income and an additional 10% of tax credits units shall be restricted at 50% of area median income (except Special Needs projects shall be exempt from this 50% AMI requirement).
(B) 9 points if the project receives points as a Large Family project pursuant to Section 5230(g), is located in a Moderate (Rapidly Changing) or Moderate Resource Area as specified on the TCAC/HCD Opportunity Area Map, and at least 10% of tax credit units shall be restricted at 30% of area median income and an additional 10% of tax credits units shall be restricted at 50% of area median income. In addition, the project shall receive up to 10 site amenity points for which it is eligible pursuant to Section 10325(c)(4)(A) of the TCAC regulations.
(C) 9 points if the project receives points as a Large Family project pursuant to Section 5230(g), is located in a Low Resource or High Segregation and Poverty Area as specified on the TCAC/HCD Opportunity Area Map, has income and rent restrictions a) with at least a 40% AMI spread between the lowest restricted unit, which shall be no lower than 30% AMI, and the highest restricted unit with at least 10% of the units at the upper end of the range, provided that these upper-end restricted rents are at least 10% below market rents, and if this condition is not achievable as evidenced by the market study, or if the Low Resource or High Segregation and Poverty Area in which the project is located is adjacent to a High or Highest Resource Area, the project shall be permitted to reduce the AMI spread from 40% to 30%, but in no case shall the upper-end restricted units drop below 60% AMI , or b) consistent with the restrictions of a public funding source that was awarded prior to December 31, 2021 ~~with an average AMI of at least 55%~~, and ~~either~~ (i) the sponsor is one of the following: 1) a PCWBE that has maintained a headquarters or office within five miles of the project for a period of five years prior to the application; 2) a Community Housing Development Organization (CHDO) as certified by the local participating jurisdiction in which the QRRP will be located; 3) a sponsor who has previously developed affordable housing within the community in which the QRRP will be located in the past 20 years; or 4) a sponsor

who has continually, during the prior 10 years preceding the application date, provided educational, health or economic development services to the community in which the QRRP will be located; or (ii) the project is one of the following: 1) located within a Community Revitalization Area, or 2) the project is funded in part with an award from the California Department of Housing and Community Development prior to December 31, 2021. ~~[Note: The committee may want to review the definition of Community Revitalization Area in Section 5170.]~~ In addition, the project shall receive up to 10 site amenity points for which it is eligible pursuant to Section 10325(c)(4)(A) of the TCAC regulations.
(D) 9 points if the project does not receive points as a Large Family project pursuant to Section 5230(g) and receives the maximum points for exceeding minimum income restrictions pursuant to subdivision (d). In addition, the project shall receive up to 10 site amenity points for which it is eligible pursuant to Section 10325(c)(4)(A) of the TCAC regulations.

(2) For purposes of subparagraphs (A) to (C), a project located in a resource area designated on the TCAC/HCD Opportunity Area Map as "Missing/Insufficient Data" shall be considered to have the designation of the adjacent resource area that shares the longest common boundary with the resource area in which the project is located.

(k) Service Amenities (10 points maximum). A project shall receive the number of points for which it is eligible pursuant to Section 10325(c)(4)(B) of the TCAC regulations, except that projects not meeting one of the housing types specified in 10325(g) of the TCAC regulations shall be able to choose the services provided without regard to the housing type conditions within the service amenity categories.

(l) Cost Containment (12 points maximum). A project shall receive 1 point for each full percent that the project's eligible basis is less than the project's CDLAC adjusted threshold basis limit, except that a New Construction Project that receives points as a Large Family~~,~~ or Special Needs~~, or SRO~~ project pursuant to the conditions specified in Section ~~5230(g)~~ 5230(j)(1)(A)) and is located in a High or Highest Resource Area as specified on the TCAC/HCD Opportunity Area Map shall receive 2 points for each full percent that the project's eligible basis is less than the project's CDLAC adjusted threshold basis limit. For purposes of this subdivision, a project's CDLAC adjusted threshold basis limit shall be the project's threshold basis limit as determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations shall be limited to 80%.

(m) Negative Points (no maximum).

(1) The Committee ~~will~~ may deduct points for an Application involving a Project Sponsor that has been or is a Related Party to a Project Sponsor (i.e. in the ownership structure) for which an Allocation has been awarded as follows:
(A) Ten (10) points ~~will~~ may be deducted for each failure to fully utilize the leveraged soft resources, or an equivalent amount of substitute leveraged soft resources, for which points were awarded in connection with the prior Allocation, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control or the amount not utilized is not material, or is the result of voluntarily returning leveraged soft resources in excess of those needed to qualify for the requested points pursuant to Section 5230(h) due to the project being over-sourced. This deduction ~~will~~ may be assessed against the Project Sponsor for a period of up to two (2) calendar years (10 points each year) from the date on which the prior Allocation was awarded.
(B) Ten (10) points ~~will~~ may be deducted for each failure to issue Bonds that results in the full amount of the Allocation reverting back to the Committee, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control. This deduction ~~will~~ may be assessed against the Project Sponsor for a period of up to two (2) succeeding years (10 points each year) following the year Allocation was awarded.
(C) Ten (10) points ~~will~~ may be deducted for each failure to spend the proceeds of Bonds issued pursuant to an Allocation in full, or in accordance with the terms and conditions of the Committee Resolution, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control, the amount not spent is not material or is consistent with the requirements of Section 5052(b), or the deviation from the terms and conditions of the Committee Resolution is not material. This deduction ~~will~~ may be assessed against the Project Sponsor for a period of up to three (3) calendar years (10 points each year) from the date of determination of failure to spend proceeds.
(D) Ten (10) points ~~will~~ may be deducted for failure to comply with any provision of the Committee Resolution, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control. This deduction ~~will~~ may be assessed for a period of up to three (3) calendar years (10 points each year) from the date of determination of non-compliance with the Committee Resolution.

(2) Where TCAC has determined an Application for tax credits involving a Project Sponsor that has been

or is a Related Party to a Project Sponsor who is subject to negative points under its regulations, CDLAC will deduct an equal amount of points for an equal period of time from tax exempt bond applications involving the Project Sponsor or a Related Party to the Project Sponsor.

(3) Where TCAC has determined an Applicant for tax credits involving a Project Sponsor that has been a Related Party to a Project sponsor who is subject to any type of determination of ineligibility, CDLAC will recognize the length of ineligibility and apply it to the tax exempt bond applications involving the Project Sponsor or Related Party to the Project Sponsor.

(4) Multiple or repeated failures of paragraph (1) may result in the Committee finding Applications involving the Project Sponsor ineligible for consideration of an Allocation.

Reason: The proposed changes wholly replace the current QRRP scoring categories. The following categories of the current scoring are eliminated: 1) use of gross rents (this is proposed in Section 5191 to become a threshold); 2) exceeding the minimum term of restrictions (proposed changes in Section 5192 would require a 55-year affordability term for all QRRP Projects in both open and competitive rounds); 3) community revitalization area criteria; 4) sustainable methods; 5) new construction and substantial rehabilitation projects; and 6) foregone eligible developer fee. Wholly new scoring categories include 1) density and local incentives for new construction projects; 2) general partner and management company experience; 3) readiness to proceed; 4) affirmatively furthering fair housing; and 5) cost containment. In addition, the changes alter the criteria of various other existing point categories. The new point scoring system would be as follows:

Preservation and Other Rehabilitation Project Priorities (10 points maximum). This point category seeks to prioritize among rehabilitation projects by offering projects in the Preservation or Other Rehabilitation Pools the following points:
- *10 points for a project meeting the At Risk definition or for a project outside of the At Risk definition in which lower-income rent and income restrictions on at least 50 percent of the total units pursuant to a regulatory agreement with a public entity will terminate or be eligible for termination within five years of application with no other rent and income restrictions remaining. Adding the latter type of project is intended to prioritize all projects eligible to convert to market rate within five years, even if not currently cited in the TCAC statutes which the At Risk definition cross-references.*
- *7 points for a project being rehabilitated under HUD Section 18 or 22, RAD, or AB 1699 for a pre-2000 HCD loan.*
- *3 points for a project that has never before received low-income housing tax credits and in which at least 50% of the units are assisted by specified federal or HCD programs.*

New Construction Density and Local Incentives (10 points maximum). This new scoring category seeks to encourage local governments to support affordable housing through density bonuses, streamlined reviews, and being prohousing in general. Projects meeting the New Construction definition may receive 10 points for any of the following:
- *Receiving SB 35 streamlined approval*
- *Obtaining a density bonus, concessions, or waivers pursuant to state Density Bonus Law or (for the density bonus only) a local ordinance.*
- *Developing the project at a net density of 100 bedrooms per net acre in a metropolitan county; 60 bedrooms per net acre in a suburban jurisdiction; or 40 bedrooms per net acre in all other areas, as those terms are defined. Projects that obtained land-use approvals prior to January 1, 2022 are grandfathered in and receive full points.*
- *Location in a city or unincorporated area of a county that HCD has identified as "prohousing."*

Exceeding Minimum Income Restrictions (20 points maximum). All projects may receive points for income targeting as follows:
- *2 points for each full percent that the average affordability of tax credit units is less than 60% AMI; or*
- *20 points if the average affordability of tax credit units is less than or equal to 60% AMI, provided that at least 10% of tax credit units are restricted at 30% AMI and an additional 10% of tax credits units are restricted at 50% AMI.*

Exceeding Minimum Rent Restrictions (10 points maximum). All projects may receive up to 10 points for each full 1% that the project's average rental rates are more than 10% below the average adjusted rental rates of comparable market-rate units.

General Partner and Management Company Experience (10 points maximum). This new scoring category seeks to enhance project completion, compliance, and permanent affordability by rewarding developer and manager experience while also promoting the ability of PCWBE's to gain experience. All projects may receive up to 7 points for general partner experience as follows:

- *According to the TCAC 9% general partner scoring criteria plus one point.*
- *7 points if an entity receiving maximum TCAC 9% general partner experience points joint ventures with a PCWBE, provided that economics are evenly split between the general partners and the PCWBE Developer has an option to purchase the development.*
- *7 points if the sole sponsor is a PCWBE that has developed one tax credit project in the last five years that remains financially sound, demonstrates to the Executive Director's satisfaction adequate experience and financial capacity, and completes TCAC training.*

In addition, all projects may receive up to 3 points for management company experience as follows:

- *According to the TCAC 9% management company experience criteria.*
- *3 points if the management company will be the PCWBE for which the project receives general partner experience points.*

Housing Types (10 points maximum). All projects may receive 10 points for proposing one of the following housing types:

- *A housing type eligible for points under the TCAC 9% Housing Type point category (i.e., Large Family, Special Needs, SRO, At-Risk, or Senior)*
- *A project that receives full points under the New Construction Density and Local Incentives above.*

Leveraged Soft Resources (8 points maximum). In order to align the allocation of bonds with the funding decisions of other state and local public entities and to reward soft funding commitments from unrelated third parties, all projects may receive 1 point for each full percent that leveraged soft resources defraying residential costs represent as a percentage of total residential project development costs, using the TCAC 9% tiebreaker definition of leveraged soft resources, which is concurrently being amended to include recycled private activity bonds. To further incentivize higher resource area projects and recognize that high resource jurisdictions may devote fewer resources to affordable housing, a Large Family, Special Needs, or SRO project located in a High or Highest Resource Area receives two points for every full percent of leveraged soft resources. Finally, a project may earn all 8 points in this category by exceeding the cost containment metrics by an additional 8%, or in the case of eligible projects in Highest or High Resource Areas, by an additional 4%.

Readiness to Proceed (10 points maximum). In order to reward developments that are shovel-ready, all projects may receive up to 10 points according to the TCAC 9% readiness category point criteria (i.e., 5 points for enforceable financing commitments for all construction financing and 5 points for having obtained all local land use approvals). Applicants who receive full points in this category obligate themselves to commence construction with 180 days of the bond allocation subject to rescission of the allocation or negative points. Please note that Section 5190(b) of the CDLAC regulations continues to require local land use approvals as a threshold, such that all projects will score at least 5 points in this category.

Affirmatively Furthering Fair Housing (20 points maximum). This point category combines TCAC 9% tax credit site amenity scoring with incentives for the development of Large Family projects in higher resource areas and for achieving a broad range of incomes and other policy goals in Large Family projects in lower resource areas. All projects may receive up to 20 points as follows:

- *20 points for a Large Family project located in a High or Highest Resource Area with at least 10% of tax credit units restricted at 30% AMI and an additional 10% of tax credits units restricted at 50% AMI. TCAC site amenity points are not relevant.*
- *9 points for a Large Family project located in a Moderate (Rapidly Changing) or Moderate Resource Area with at least 10% of tax credit units restricted at 30% AMI and an additional 10% of tax credits units restricted at 50% AMI. In addition, the project may receive up to 10 TCAC site amenity points.*
- *9 points for a Large Family project located in a Low Resource or High Segregation and Poverty Area, if the project 1) has an average AMI of at least 55%, and 2) either the sponsor is a local Black-led Organization or the project is located within a Community Revitalization Area. In addition, the project may receive up to 10 TCAC site amenity points.*
- *9 points for any non-Large Family housing type if the project achieves maximum points in the Exceeding Minimum Income Restrictions category above. In addition, the project may receive up to 10 TCAC site amenity points.*

Service Amenities (10 points maximum). In order to incentivize appropriate resident services, all projects may receive up to 10 points for providing services consistent with the TCAC 9% service amenity scoring criteria.

Cost Containment (12 points maximum). In order to incentivize cost reductions where possible and stretch scarce bond allocations, all projects may receive up to 12 points for achieving cost efficiencies with respect to regional and project-specific benchmarks. To further incentivize higher resource area projects and recognize that such projects are likely to have higher costs, a Large Family, Special Needs, or SRO project located in a High or Highest Resource Area may receive up to 12 points for achieving cost efficiencies that are 50% of the regional and project-specific benchmarks. CDLAC would calculate cost efficiency by comparing a project's eligible basis to its TCAC threshold basis limit with the following modifications:

- *The threshold basis limit increase for structured parking is increased to from 7% to 10%, but to receive the increase at all the structured parking must occupy an area equal to at least 80% of the area of the residential buildings.*
- *The threshold basis limit increase for deeper targeting is limited to 80%.*
- *Projects utilizing Type I and Type III construction receive an additional threshold basis limit increase of 15% and 10%, respectively.*

Negative Points (no maximum). This scoring category is retained from the current regulations without change.

Reason: The new changes proposed address the following:

Preservation and Other Rehabilitation Project Priorities (new 20 point maximum up from 10 points). In response to public comment, Staff is proposing to increase this point category to offset a corresponding removal of eligibility for these projects under the Housing Type category in recognition that existing projects have limited flexibility to meet the housing type criteria, potentially producing an outcome where the most at-risk or critical projects are passed over by projects that by coincidence meet an existing housing type. Also recognized as qualifying as "at-risk" due to the public benefit delivered is any replacement or rehabilitation project pursuant to HUD's Section 18 or 22 programs as well as a project being rehabilitated pursuant to the first component of RAD. Finally, concerning AB 1699 projects, priority is being given to those which have never received an allocation of tax credits over those that have in recognition of the likely public benefit associated with bringing those development into the tax credit program.

Housing Type. In response to public comment, this scoring category is being revised to only apply to New Construction projects due to the reasons stated above.

Leveraged Soft Resources. In response to public comment, this section is being amended to allow for Special Needs projects that serve as permanent supportive housing for 50% of the total units to receive the same treatment as large-family projects in High and Highest Resource Areas in recognition of the State's significant investment to address homelessness as well as the public benefit potentially available for these residents in areas of opportunity. A corresponding change is also being proposed in the Cost Containment category. Concerning the provision to allow projects that achieve leverage points by obtaining additional cost containment, mixed public comment was received both for and against this concept. Although this provision is removed from this draft, Staff is interested in the Committee's perspective on this issue and sees value in restoring the provision in recognition of the directives in AB 83 to incentivize cost containment.

Readiness to Proceed. This change is a clean-up provision that removes duplicative and potentially conflicting language and instead refers in total to the TCAC regulations.

AFFH. The changes in this section start with requiring Special Needs projects to be at least 50% permanent supportive housing in order to obtain the maximum points when located in the High and Highest Resource Areas. Additionally, Staff is proposing to exempt Special Needs projects that serve the homeless from the higher income targeting requirements. Concerning the income-targeting requirements in the Low Resource and High Segregation and Poverty Areas, Staff is removing the 55% AMI minimum requirement and returning to the previously approved Committee framework that requires a spread of at least a 40% AMI difference between the lowest targeted units and the highest targeted units, subject to market conditions. Also proposed is a grandfather clause that recognizes the backlog of publicly-funded projects that likely have pre-

existing income targeting requirements that are unable to meet these new provisions. Finally, and in response to multiple public comments, the qualifications for the types of sponsors and projects that may earn points in the Low Resource and High Segregation and Poverty Areas is expanded to recognize various geographic differences as well as pre-existing funding commitments from HCD.

Service Amenities. In response to public comment, this section is amended to account for projects that don't meet one of the TCAC housing types to allow freedom to select service amenities that are appropriate for their respective populations served.

Cost Containment. As previously mentioned, this section is being amended to allow for Special Needs projects that serve as permanent supportive housing for 50% of the total units to receive the same treatment as large-family projects in High and Highest Resource Areas.

Negative Points. In response to public comment, Staff is proposing to make technical amendments to this section that are more in line with TCAC's policies and to give the Executive Director and the Committee flexibility when imposing the severe consequence of negative points in a competitive funding environment.

Reason: In response to public comment, the new proposed changes address the following:

Preservation and Other Rehabilitation Project Priorities: The changes in this scoring section are technical corrections that recognize Section 18/22 and RAD projects as eligible for the full 20 points by removing them from the 14 point category. Clarity is also provided that New Construction Projects are not eligible for this scoring category.

New Construction Density and Local Incentives: The technical change in this scoring category makes allowance for projects that either "meet or exceed" the specified density. Clarity is also provided that Preservation and Other Rehabilitation Projects are not eligible for this scoring category.

Exceeding Minimum Income Restrictions: The changes in this scoring section clarify that units restricted "at or below" the required income targeting levels are permissible.

Exceeding Minimum Rent Restrictions: The change to this scoring category is meant to add specificity to the methodology to be used when calculating the average affordability of the project relative to comparable market rents.

Housing Types: Clarity is provided with this change that Preservation and Other Rehabilitation Projects are not eligible for this scoring category.

Leveraged Soft Resources: The change to this section is meant to reduce what is currently an administrative burden at TCAC to constantly assess and adjust leverage when off-site improvements are present. While the utility of this practice has some value at TCAC to avoid manipulation of its tie-breaker, CDLAC's proposed tie-breaker will disadvantage projects that include a significant amount of off-site improvements in their development budget.

Readiness to Proceed: The change in this section provides for the readiness deadline to be met pursuant to Section 5100(3)(b)(i) which allows for the Executive Director to randomly assign bond issuance deadlines of either 180 or 194 days to allow for lender/investor/issuer capacity concerns. This change will allow CDLAC's readiness requirements to be consistent with TCAC's long-standing practices.

Affirmatively Furthering Fair Housing: The changes in this scoring section attempt to add clarity for projects that are proposed in Low Resource or High Segregation and Poverty Areas by specifying what is required when the proposed rent and income targeting at the upper-end of the range begins to conflict with the programmatic requirement to establish rents that are at least 10% below existing market conditions. More specifically, a project in such a condition, or one that is located in a Low Resource/High Segregation and Poverty Area that is adjacent to a High or Highest Resource Area, may reduce the AMI spread range from 40% to 30% so long as the upper end of the range does not drop below 60% AMI. The language also clarifies that when measuring the low end of the range, a floor of 30% AMI shall be used, subject to exceptions for pre-existing funding commitments.

Negative Points: The change to this section addresses a potential system abuse by requiring projects that return leveraged soft resources after an award to at least retain the amount that would have been needed to qualify for the points requested in the initial application. The new language also recognizes the permissibility of substituting leverage soft resources which is consistent with TCAC practices.

Section 5231. Ranking. After all of Applications for Qualified Residential Rental Projects are evaluated pursuant to section 5230, the Applications will be ranked and may be awarded an Allocation as follows:

(a) Applications for ~~Mixed Income~~ Rural Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for ~~Mixed Income~~ Rural Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the ~~Mixed Income~~ Rural Project Pool. Applications for ~~Mixed Income~~ Rural Projects not receiving an Allocation will not be eligible for consideration for an Allocation under subdivisions (b), ~~or~~ (c) or (e) of this section.

(b) Applications for ~~Rural~~ Preservation Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for ~~Rural~~ Preservation Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the ~~Rural Project~~ Preservation Pool. Applications for ~~Rural~~ Preservation Projects not receiving an Allocation pursuant to this subdivision ~~are~~ will not be eligible for consideration for an Allocation under subdivision (a), (c) or (e) of this section.

(c) Applications for Other Rehabilitation Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for Other Rehabilitation Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the Other Rehabilitation Pool. Applications for Other Rehabilitation Projects not receiving an Allocation pursuant to this subdivision will not be eligible for consideration for an Allocation under subdivisions (a), (b) or (e) of this section.

(d) Applications for PCWBE Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for PCWBE Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the PCWBE Pool. Applications for PCWBE Projects not receiving an Allocation pursuant to this subdivision shall be eligible for consideration for an Allocation under subdivisions (a), (b), (c), and (e) of this section.

(e) Applications for Qualified Residential Rental Projects that are ~~not Mixed Income~~ New Construction Projects, exclusive of Rural Projects,~~and any Applications for Rural Projects not receiving an Allocation under subdivision (b) of this section~~ will then be ranked together. Applications receiving the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the ~~Qualified Residential Rental Project~~ New Construction Pool in the following manner~~.~~

(1)(A) Set Aside application selection. ~~Except as provided in (B), beginning~~ Beginning with the top-ranked application from the Homeless Set Aside, subject to the conditions in Section 5231(e)(1)(B), followed by the Extremely Low/Very Low Income Set Aside, and the Mixed Income Set Aside, the highest scoring applications in each Set Aside shall be awarded an Allocation pursuant to the procedures in Section 5231(f). ~~If the last project allocated in a Set Aside requires more than the bonds remaining in that Set Aside, such overages will be subtracted from that Set Aside in determining the amount available in the Set Aside for the subsequent allocation round. If bonds within a Set Aside remain unallocated at the end of an allocation round they will be added to the subsequent round amounts in the same Set Aside. In the final allocation round of the year, the allocations within a Set Aside shall not exceed the amount of bonds available in the Set Aside.~~ A project that meets the criteria of both the Homeless Set Aside and the Extremely Low/Very Low Income Set Aside shall be eligible for an allocation from either Set Aside. All New Construction Projects, exclusive of Rural Projects, that do not receive an allocation from a Set Aside shall be eligible for an allocation from their respective geographic region pursuant to paragraph (2).

(B) For purposes of the Homeless Set Aside only, applications for projects in which 100% of the tax credit units are designated for homeless households as defined in Section 10315(b)(1) of the TCAC regulations at affordable rents consistent with Section 10325(g)(3) of the TCAC regulations shall be awarded an Allocation prior to any other application eligible for the Homeless Set Aside provided that such projects earn at least 95% (rounded down to the nearest whole number) of the maximum available points pursuant to Section 5230.

(2) Geographic region application selection. Bonds available in the New Construction Pool that are not reserved to a Set Aside shall be allocated to the highest ranking applications according to the geographic allocation described in Section 5022. ~~If the last project allocated in a region requires more than the bonds remaining in that region, such overages will be subtracted from that region in determining the amount available in the region for the subsequent allocation round. If bonds within a region remain~~

~~unallocated at the end of an allocation round they will be added to the subsequent round amounts in the same region. In the final allocation round of the year, the allocations within a region shall not exceed the amount of bonds available in the region.~~ Projects receiving an allocation in the Rural, Preservation, Other Rehabilitation, or PCWBE Pools or in the Homeless, Extremely Low/Very Low Income, and Mixed Income Set Asides shall not be counted towards the geographic apportionments.

(3) In the final allocation round of the year, any bonds remaining in any QRRP pool, Set Aside or geographic region shall be allocated to the highest ranking New Construction Project or Projects, exclusive of Rural Projects. Any such amounts shall not be added to the respective QRRP pool, Set Aside, or geographic region in the following year, ~~not~~ nor shall any allocations pursuant to this paragraph be subtracted from the geographic allocations in the following year.

(4) At the last allocation meeting of the year, the Committee shall establish a waiting list of new Construction Projects~~, exclusive of Rural Projects,~~ that have not received an allocation in the final allocation round, ordered from highest to lowest ranking. In the event that allocations are returned after the final allocation meeting and prior to the end of the calendar year, the Executive Director may allocate bonds to projects on the waiting list in order.

(f) If the last project allocation in a Pool, Set Aside or geographic region requires more than the bonds remaining in that Pool, Set Aside or geographic region, such overages will be subtracted from that Pool, Set Aside or geographic region in determining the amount available in the Pool, Set Aside or geographic region for the subsequent allocation round. In no case will the last project to be allocated in a Pool, Set Aside or geographic region receive an Allocation unless at least 80% of the requested Allocation for that project is remaining in that Pool, Set Aside or geographic region for that round. No project that is unable to satisfy this condition shall be skipped in favor of awarding a project that meets this condition. If bonds within a Pool, Set Aside or geographic region remain unallocated at the end of an allocation round, they will be added to the subsequent round amounts in the same Pool, Set Aside or geographic region. In the final allocation round of the year, the allocations within a Pool, Set Aside or geographic region shall not exceed the amount of bonds available in the Pool, Set Aside or geographic region.

~~(f)~~(g) If two or more Applications are awarded the same total number of points, these Applications will be ranked according to the lowest amount of ~~requested Allocation per Restricted Rental Unit (Allocation amount requested divided by number of Restricted Rental Units)~~ cost-adjusted Bond and State Credit Allocation per bedroom-adjusted units targeted at or below 100% AMI, so long as such units are rent restricted and regulated for a period of at least 30 years.

(1) The cost-adjusted Bond and State Credit Allocation shall be calculated by subtracting the product of the unadjusted Bond and State Credit Allocation request and the sum of the statewide basis delta for the county in which the project is located and the higher resource area bonus from the unadjusted Bond and State Credit Allocation request. ~~Thirty~~ At least ten days prior to the first application deadline of each calendar year, the Committee shall publish the statewide basis delta for each county, which shall represent the percentage difference between the two-bedroom 4% tax credit threshold basis limit for the county and the lowest two-bedroom 4% tax credit threshold basis limit for any county in the state as those limits are determined by TCAC pursuant to Section 10302(rr) of the TCAC regulations, except that the percentage difference shall not exceed 30%. A New Construction Project that receives points as a Large Family~~,~~ or Special Needs~~, or SRO~~ project pursuant to the conditions specified in Section ~~5230(g)~~ 5230(j)(1)(A) and is located in a High or Highest Resource Area as specified on the TCAC/HCD Opportunity Area Map shall receive a higher resource area bonus equal to 20%.

(2) To calculate a project's per bedroom adjusted units, the Committee shall first multiply the number of units of each bedroom count by the adjustment factor for units of that bedroom count. A project's per bedroom adjusted units shall be the sum of each of these products. The adjustment factors shall be:

(A) .9 for a studio unit.

(B) 1 for a 1-bedroom unit.

(C) 1.25 for a 2-bedroom unit.

(D) 1.5 for a 3-bedroom unit up to no more than 30% of the total units, then such additional units shall be counted as 2-bedroom units

(E) 1.75 for a 4-bedroom or larger unit up to no more than 10% of the total units, then such additional units shall be counted as 2-bedroom units

~~(F) 2 for units greater than 4 bedrooms~~

(3) For Allocations made in 2022 and beyond, the provisions in this Section (f) shall be amended to a formula which will measure the total amount of State of California investment in the Project relative to the public benefit produced by the Project.

Reason: The changes to this section reflect the revised pools and new set asides proposed in Section 5020 and determine the order in which the Committee would make allocations. The *changes also specify that projects may only compete in one of the Rural, Preservation, Other Rehabilitation, and New Construction Pools but that Persons of Color / Woman-Owned Business Enterprise (PCWBE) Projects may compete in the PCWBE Pool and one other Pool. Within the New Construction Pool, a project may compete in both the Homeless Set Aside and the Extremely Low/Very Low Income Set. All projects in the New Construction Pool that do not receive an allocation from a Set Aside are eligible for an allocation from their respective geographic region. Projects receiving allocations outside of the New Construction Pool or in any of the New Construction Pool Set Asides are not counted against regional allocations.*

With respect to the Set Asides and geographic regions, in all but the last allocation round of the year CDLAC would make full allocations to the next ranking project as long as any amount of allocation remained available in the Set Aside or region (i.e. the $1 rule). If the last project receiving an allocation requires more than the bonds remaining in that Set Aside or region for that round, the overage would be subtracted from that Set Aside or region in the subsequent allocation round. If bonds within a Set Aside or region remain unallocated at the end of an allocation round they would be added to the amount available in the Set Aside or region in the subsequent round. In the final allocation round of the year, the allocations within a Set Aside or region could not exceed the amount of bonds available in that Set Aside or region, and remainder allocations in any Pool, Set Aside or region would be allocated to the next ranking project from the New Construction Pool irrespective of Set Asides or regions. In addition, in the last award meeting of the year, CDLAC would establish a waiting list of projects in the New Construction Pool in order of ranking from the last application round to which the Executive Director would allocate any returned awards.

For purposes of the Homeless Set Aside only, the changes give absolute priority within the Set Aside to 100% homeless projects regardless of score or tiebreaker.

Lastly, the changes to the CDLAC tiebreaker seeks to include the amount of bonds requested along with any request for California state tax credits while adjusting the total to reflect to at least some extent project cost differences based on regional location and bedroom size and to further incentivize specified project types in higher resource communities. The numerator of the ratio is known as the cost-adjusted Bond and State Credit Allocation request. For each project, CDLAC will subtract from the project's Bond and State Credit Allocation request [(A) below] the product of the project's Bond and State Credit Allocation request and an adjustment factor. The adjustment factor is the sum of: 1) the "statewide basis delta" for each county [(B) below], which is the percentage difference between TCAC's two-bedroom 4% tax credit threshold basis limit for the county and the lowest two-bedroom 4% tax credit threshold basis limit for any county in the state, capped at 30%; and 2) a 20% higher resource area bonus [(C) below] for Large Family, Special Needs, or SRO New Construction projects located in High or Highest Resource Areas. The denominator of the tiebreaker ratio, to be known as bedroom-adjusted units [(D) below], weights each unit from .9 to 2 based on the number of bedrooms and sums these weightings. The formula is represented mathematically as:

$$\underline{(A - (A \times (B+C)))}$$

Reason: The new changes proposed to this section are mostly technical in nature, but of note, Staff is proposing to create a new subsection (f) that clearly specifies the process by which allocations will occur in various Pools, Set Asides and geographic regions. Additional edits are made to reflect the requirement that Special Needs projects must be at least 50% permanent supportive housing to qualify for the tie-breaker incentive, and SRO projects are removed from consideration for the incentive due to no specific requirements to serve special populations. Finally, caps are placed on the number of 3 and 4 bedroom+ units that receive adjustment treatment in the tie-breaker in order to reduce the incentive to build an abundance of larger units simply to improve a project's tie-breaker score.

Reason: The changes to Section 5231(e)(1)(A) and (B) are technical amendments that are intended to clarify the process of ranking and funding of applications in the set-asides, especially with regard to the treatment of projects in the Homeless Set Aside. The change in Section 5231(e)(4) striking the language concerning Rural Projects is meant to allow such projects to be eligible for funding from the waiting list, should they score sufficiently high enough. Currently, Rural New Construction projects are not eligible to compete anywhere other than the Rural Pool, and this change will give such projects a final opportunity to compete, especially if the Rural Pool is reduced from previous levels. The next change to this section clarifies the income targeting *required in order for a unit to be eligible for consideration in the tie-breaker calculation. The targeting requirement is set at 100% AMI or below and requires units to be restricted for at least 30 years, and while units at this higher AMI level are not eligible to receive a new allocation of tax-exempt bonds in a competitive system, CDLAC Staff feels that additional "missing middle" rent-restricted units represent public benefit for income-earners that can't afford market rents but are unable to qualify for units restricted at tax-credit levels. The final change to this section provides CDLAC/TCAC staff additional time to publish the statewide basis delta prior to the first application date in order to better facilitate improvement of the current TCAC threshold basis limit methodology as well as future annual data updates.*

Section 5232. Competitive Application Process Maximum Allocation Amount. (a) For projects subject to the Competitive Application Process, the Committee will allocate no more than ~~fifty~~ seventy-five million dollars ~~($50,000,000)~~ ($75,000,000) for any proposed Qualified Residential Rental Project. Where a proposed Qualified Residential Rental Project is located within one-fourth (1/4) mile of another Qualified Residential Rental Project involving the same Project Sponsor or a Related Party to the Project Sponsor, the Allocation amounts for the Qualified Residential Rental Projects cannot, in the aggregate, exceed ~~fifty~~ seventy-five million dollars ~~($50,000,000)~~ ($75,000,000) within a calendar year.
(b) The Committee may waive this maximum allocation amount if the Committee determines that the demand for allocation for Qualified Residential Rental Projects is such that the maximum allocation amount is not warranted. An Applicant requesting an Allocation in excess of ~~fifty~~ seventy-five million dollars ~~($50,000,000)~~ ($75,000,000) may seek a waiver from the Committee based on the following factors:
(1) The Qualified Residential Rental Project qualifies as an ~~Federally Assisted~~ At-Risk Project; or
(2) Documentation is provided in the Application indicating why a Qualified Residential Rental Project cannot be developed in phases at a ~~fifty~~ seventy-five million dollars ~~($50,000,000)~~ ($75,000,000) level. The documentation must be specific and may include, but is not limited to, a site plan detailing the layout of the subject property, unit mix per stage of the phase, any unique features of the property which inhibits phasing, a description of infrastructure costs, and a cost breakdown by phases.

Reason: The change reflects the updated term of At Risk Projects

Reason: The new change recognizes public comment in support of larger, more efficient projects and reduces the CDLAC Staff processing burden related to regular exception requests to the allocation limit.

Section 5233. Allocation Limits. (a) Limit CDLAC bond allocation on a per unit basis (adjusted by the number of bedrooms) in the ~~General and Rural Multifamily~~ QRRP Pools as follows:

Studio and SRO:	$522,000
One-bedroom: Two-bedroom: Three-bedroom:	$544,000 $580,500 $638,500
Four or more bedroom:	$671,500

(b) Private Activity Bond allocation awards cannot exceed ~~60%~~ 55% of the aggregate depreciable basis plus land basis. In determining compliance with this test, CDLAC staff may rely on the legal or tax opinion submitted with the application.

Reason: This change maintains the applicability of CDLAC's bond allocation limits to all QRRP projects, reflecting the proposed changes in Section 5020 to the QRRP Pools.

Reason: The new changes implement a 55% cap in bond request to stretch resources as far as possible and also recognizes public comment related to previous and unnecessary project disqualifications due to the complexity of the calculation and encourages CDLAC staff to rely on the legal or tax opinion as the basis to meet the test.

Section 5251. Evaluation Criteria. Each site within an Application for a Scattered Site shall be evaluated individually for points as provided in section 5230. The total points awarded to a Project in any category shall be based on the pro-rata share of total units each site represents. For instance, if only one site meets the threshold for an award of 5 points ~~as provided in 5230(g),~~ and the site represents

40% of total units, the Project shall be awarded two (2) points for this category (40% x 5 points).

Reason: This change deletes a cross reference that is no longer applicable given the proposed changes to the scoring categories in Section 5230.

Date: **December 17, 2020**

To: **CDLAC Committee Members**

From: **Judith Blackwell, Executive Director**

Re: **Exempt Facility Regulation Changes**

This memo and the attached proposed regulation changes related to exempt facilities supplements the material you received yesterday and is for use during the upcoming CDLAC meeting scheduled for December 21.

The California Pollution Control Finance Authority ("CPCFA") uses the private activity volume cap allocated by CDLAC to finance qualified waste and recycling projects as well as other projects to control pollution and improve water supply. CPCFA Staff has requested various changes to the CDLAC regulations which CDLAC Staff finds to be acceptable. The proposed regulation changes follow this briefing memo, and if the Committee finds them to be acceptable, they will be processed concurrently with the regulation changes proposed for CDLAC's multi-family housing program.

Proposed CDLAC Regulation Changes related to Exempt Facility Projects

Section 5000 Definitions

"Distressed Community" means a community that the Applicant demonstrates to be any one or more of the following:

- A community with an unemployment rate equal to or greater than 125% of the statewide average based on the California Employment Development Department's most recent annual average for sub- county areas.
- A community with median family income of less than 80% of the statewide average based on the most recent census data available for cities or Census Designated Places. If no city or Census Designated Place level data is available, or if the Applicant chooses to identify a project benefit area that is smaller than a city or Census Designated Place, such as census tract or tracts, smaller areas will be used.
- A community with a poverty rate equal to or greater than 110% of the statewide average based on the most recent census data available for cities or Census Designated Places. If no city or Census Designated Place level data is available, or if the Applicant chooses to identify a project benefit area that is smaller than a city or Census Designated Place such as a census tract or tracts, smaller geographic areas will be used.
- A community or county affected by a state of emergency within California and declared a disaster by the President of the United States, the Administrator of the United States Small Business Administration, or the United States Secretary of Agriculture, or declared to be in a State of Emergency by the Governor of the State of California.

  Reason: CPCFA suggested this to help address applicants affected by the COVID-19 pandemic as well as other disasters such as wildfires, flooding and landslides.

Section 5052. Forfeiture of Performance Deposit.

(e) An Applicant may request waiver of a performance deposit forfeiture by submitting a written request to the Executive Director within 30 days of the date of the Committee's Forfeiture Fee Invoice. The Committee shall grant a forfeiture ~~waiver~~ extension upon a showing that the request aligns with an extended allocation and a waiver upon showing the circumstances prompting the forfeiture were unforeseen and entirely beyond the control of the Project's sponsor and development team. The granting of a waiver pursuant to this subsection will not preclude performance deposit forfeiture for subsequent extensions of the expiration date for Qualified Residential Rental Bonds granted pursuant to Section 5101 or 5132.

Reason: CPCFA is requesting that the performance deposit forfeiture date be extended to align with any extended allocation.

Section 5054. Filing Fees.

Each Applicant shall submit a filing fee in an amount equal to the product of the amount of Allocation actually used to issue Bonds, or Mortgage Credit Certificates multiplied by .00035. The payment of the fee shall be in two installments as follows:

(a) Initial filing fee. A check in the amount of $1,200 payable to the California Debt Limit Allocation Committee shall accompany the filing of an Application to cover the Committee's costs associated with reviewing Applications. This portion of the filing fee is not refundable under any circumstances but shall be credited against the total filing fee.

(b) Initial filing fee for supplemental awards. A check in the amount of $600 payable to the California Debt Limit Allocation Committee shall accompany the filing of an Application to cover the Committee's costs associated with reviewing Applications. This portion of the filing fee is not refundable under any circumstances but shall be credited against the total filing fee.

(c) Second installment of Filing Fee. The second installment of the filing fee will be due within thirty (30) days after Bond issuance or issuance of the first Mortgage Credit Certificate. The Committee will issue an invoice in conjunction with the Committee Resolution transferring the Allocation to the Applicant. The amount of the second installment of the filing fee is the product of the amount of Allocation used to issue Bonds or convert to Bond to Mortgage Credit Certificate authority multiplied by .00035, less the fee paid

pursuant to subdivision (a) of this section.
(d) If the second filing fee is not received within thirty (30) days, the Committee shall instruct the Applicant to remit the amount due from the performance deposit maintained by the Applicant specifically for the Project or program that was awarded Allocation pursuant to section 5050.
(e) Applications for Allocation for Exempt Facility Projects will not be charged supplemental filing fees when applicants seek to move the hearing date for allocation later in the calendar year, as long as there are no material changes in the project or financing structure of the application.

> *Reason: CPCFA staff requests an exemption in this section for Exempt Facility projects awarded a sub allocation by CPCFA to indicate that any additional CDLAC filing fees not be collected, and to allow projects to change CPCFA Board meeting dates without additional fees or penalties provided that there have been no material changes to the project.*

Section 5100. Program Expiration Dates.
(a) The expiration date of the Allocation shall be specified in the Committee Resolution and shall start from the date on which the Committee awards the Allocation.
(b) Notwithstanding extensions as provided in sections 5101, 5102 or 5103; the limitations prescribed by section 5104; or Allocations awarded on a carry-forward basis as provided in section 5131; the expiration dates for issuing Bonds or converting Bonds to Mortgage Credit Certificate authority shall be:
(1) ~~Ninety (90)~~One hundred eighty (180) days for the issuance of Beginning Farmer Bonds, Mortgage Revenue Bonds, Small Issue Industrial Development Bonds, Exempt Facility Bonds, Recovery Zone Facility Bonds, Recovery Zone Economic Development Bonds, Qualified Public Educational Facility Bonds and the conversion of Bonds to Mortgage Credit Certificate authority.

> *Reason: CPCFA requests to extend the expiration of the allocation for Exempt Facility projects from 90 days to 180 days.*

Section 5422. Permits.
The Applicant must provide documentation of the applicable discretionary use permits and approvals from federal, state or local planning agencies for the proposed Project ~~at the time of Application~~prior to ~~Board~~ Committee approval. Applicants are not required to have obtained ministerial approvals at the time of Application.

> *Reason:* CPCFA is requesting that the Exempt Facilities Applications for Allocation be allowed to be submitted by a project sponsor (Applicant) and deemed acceptable for submittal with the condition that all final discretionary use permits will be received prior to Committee approval.

Section 5432. Non-Solid Waste Projects.
Applications for Exempt Facility Projects or programs, other than solid waste disposal facilities not otherwise included in these regulations, but eligible for consideration for Qualified Private Activity Bond ~~l~~location as an Exempt Facility Project will be considered pursuant to section 5423. Projects may include, but are not limited to, Bonds issued by a government agency to acquire any property from an investor-owned utility, sewage facilities, facilities for the furnishing of water, facilities for the local furnishing of electric energy or gas, qualified hazardous waste facilities, mass commuting facilities, local district heating or cooling facilities, environmental enhancements of hydroelectric generating facilities, high-speed inter-city rail facilities, and the equipment only purchase programs administered by the California Pollution Control Financing Authority. Applications shall be reviewed on a Project-by-Project basis. ~~considering the public benefits proposed.~~

> *Reason: CPCFA requests that this section be clarified as to what it pertains to in the CDLAC application for Exempt Facility projects as this section is referenced in connection with public benefits. There are many factors to consider, yet if it is specific to CPCFA, it should consider pollution control (our mission) rather than general public benefit.*

AGENDA ITEM 6

Consideration of Appeals from December 9, 2020 CDLAC Allocation Meeting

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 21, 2020

Consideration of Appeal(s) and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects and Awards of Allocation from the December 9, 2020 Allocation Meeting (Action Item) (Agenda Item No. 6)

ACTION:
Consideration of Appeal(s) for Qualified Residential Rental Projects and Awards of Allocation from the December 9, 2020 Allocation Meeting (Action Item)

DISCUSSION:
On December 9, 2020, there were two appeals that were not heard at the meeting due to the Committee Members not receiving the appeal materials.

The Project was seeking points for both New Construction and Preservation points. Staff informed the Applicant that points for these different types of projects cannot be combined as to advantage the ranking of a project. If a Project is categorized as a new construction project, then it is eligible for points associated with the new construction project type. If a Project is categorized as a preservation project, then it is eligible for points associated with the preservation project type. The Applicant appealed staff's preliminary recommendation and subsequently staff's final recommendation. After the Executive Director discussion with STO General Counsel it was confirmed that the project was not eligible for both.

Staff has provided the materials for the Committee's consideration.

RECOMMENDATION:
Staff recommends the Committee deny the Applicant's appeal for this project.

Prepared by Sarah Lester

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December 2, 2020

CDLAC Committee Members
And Judith Blackwell, Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento CA 95814

Re: Rose Hill Courts Phase I Application #20-670

Dear CDLAC Committee and Executive Director Blackwell,

Please accept this letter as our appeal of CDLAC's final recommendation for the scoring and ranking of Rose Hill Courts Phase I, under Section 5038 of the CDLAC regulations. This letter serves as notice of our intention to present our case to the Committee at the December 9th, 2020 Allocation meeting. Attached is our revised appeal that specifically addresses the points raised by Executive Director Blackwell in her response to our preliminary appeal.

We strongly urge CDLAC staff and the CDLAC Committee to support this first phase of development at Rose Hill Courts and approve the points which this important project deserves and qualifies for in order to allow the project to commence construction early next year.

Sincerely,

Douglas Guthrie
President and CEO

William Witte
Chairman and CEO

Encl.: Appeal of Preliminary Recommendation; Revised Letter from Cox, Castle & Nicholson

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November 18, 2020

CDLAC Committee Members
And Judith Blackwell, Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento CA 95814

Re: Rose Hill Courts Phase I Application #20-670

Dear CDLAC Committee and Executive Director Blackwell,

Please accept this letter and the attached legal opinion as our appeal of the scoring and ranking of Rose Hill Courts Phase I, under Section 5036 of the CDLAC regulations. While the technical support for our submitted scoring is detailed in the attached letter, as detailed below, Rose Hill Courts is a prime example of a project CDLAC should support and one which must be scored in accordance with CDLAC's written regulations.

The Housing Authority of the City of Los Angeles ("HACLA") and Related have been working on the redevelopment of Rose Hill Courts for over six years. Originally built in 1942, the Rose Hill Courts property is one of the oldest public housing sites in HACLA's portfolio. The buildings have outlived their planned life cycle and HACLA has had to take 9 of the existing public housing units off-line due to damage caused by termites. The existing units are mostly two-story walk-up, and no current unit on site meets current ADA standards. This sits in stark contrast to what the Authority understands are the needs of the extremely and very low-income households we serve. Currently, 50% of the over 50,000 households on HACLA's public housing wait list self-identify as having a family member with one or more disabilities or are considered elderly and would do best in universally adapted units.

In 2014, HACLA identified Rose Hill Courts as a top priority in the public housing portfolio for redevelopment and partnered with Related to realize our goal of achieving the maximum number of new units built on site, while minimizing resident relocation. The Rose Hill Courts redevelopment will provide 185 new units, split into two phases (89 units in Phase I and 96 units in Phase II), nearly doubling the existing density. To obtain community support for this increased density, HACLA held over 40 meetings and design charrettes, creating a feedback loop with its public housing residents, the Neighborhood Councils, and other members of the community. The community of residents, advocates, and stakeholders have participated in interactive meetings on various aspects of the Project including the development program, design features, relocation, environmental review, and the provision of Sustainable Infrastructure and Transportation Related Amenities.

The resulting redevelopment plan puts the needs of the residents first, by minimizing off-site relocation of residents, offering all households a right to return, and providing housing for the next century, stewarded for the public good and permanently affordable. The residents of Rose Hill Courts have been waiting over 6 years for this redevelopment to begin, and the second phase of Rose Hill Courts will not be able to start until the first phase has been completed. Relocation is set to commence in December, and construction is scheduled to start in April, 2021.

The Rose Hill Courts redevelopment is a prime example of both preservation of affordable housing and construction of new deeply affordable housing stock, which should be embraced in California and rigorously supported. The federal government is providing unique support through its RAD Conversion Program and Tenant-Protection Vouchers which is being paired with HUD's Section 18 demolition disposition approval, allowing HACLA and the State of California the opportunity to meet their affordable housing needs. Failing to fully support these opportunities is tantamount to turning away millions of dollars in federal resources to help resolve our housing crisis.

HACLA is investing $15.45 million in Rose Hill Courts Phase I, in addition to committing project based vouchers for all of the units (77 Project Based Vouchers and 11 RAD vouchers). The RAD program extends to all units at Rose Hill Courts, not only those receiving the 11 vouchers, as all units will be subject to the RAD regulatory agreement. Rose Hill Courts Phase I also has a significant State investment, through a $12 million commitment from HCD under the AHSC program and a $3.5 million commitment from HCD under the IIG program. The City of Los Angeles is using an additional $8 million in AHSC funds to provide pedestrian safety upgrades in the immediate neighborhood, 6 new bus shelters and 8 electric buses, among other improvements. Rose Hill Courts represents a combination of every possible public policy objective: preservation of the site as deeply affordable through a long term ground lease with HACLA, increasing density through the provision of new construction units (Phase I represents a 345% increase over the 20 units it is replacing), meeting state objectives for GHG reduction, utilizing funding from every level of government (local, state and federal), and is broadly supported by the residents who live there and the neighboring community.

We strongly urge CDLAC staff and the CDLAC Committee to support this first phase of development at Rose Hill Courts and approve the points which this important project deserves and qualifies for in order to allow the project to commence construction early next year. The attached letter from Cox Castle outlines the factual basis for our appeal of the scoring.

Sincerely,

Douglas Guthrie

Douglas Guthrie
President and CEO

William Witte
Chairman and CEO

Encl.: Letter from Cox, Castle & Nicholson

COX CASTLE NICHOLSON

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111-4710
P: 415.262.5100 **F**: 415.262-5199

December 2, 2020

California Debt Limit Allocation Committee
915 Capital Mall, Room 311
Sacramento, CA 95814

Re: Rose Hill Courts Phase I (CDLAC Application #20-670)

Dear CDLAC and CDLAC Committee Members:

This letter constitutes an appeal of the final CDLAC staff recommendation for Rose Hill Courts Phase I (CDLAC Application #20-670), on behalf of The Housing Authority of the City of Los Angeles (the "Applicant"). This appeal is filed pursuant to Section 5038 of the CDLAC program regulations (adopted June 9, 2020) (the "Regulations"). The Applicant submitted the proposed Rose Hill Courts Phase I project (the "RHC Project") under CDLAC's New Construction Pool and requested points under Regulation 5230(b) because the RHC Project meets the objective requirements for scoring points under the express language of Section 5230(b), yet CDLAC has refused to award those points on the grounds that the RHC Project is not competing in CDLAC's Preservation Pool.

This appeal letter explains that the clear language in the Regulations and in CDLAC's own application materials obligate CDLAC to award the maximum twenty (20) points requested by the Applicant under Regulation 5230(b). No new or additional information beyond that provided in the original application is provided in connection with this appeal.

1. **The Regulations provide that ALL Qualified Residential Rental Projects are eligible to receive points under Section 5230(b)**. Regulation 5230 expressly provides that all Qualified Residential Rental Project applicants are eligible to receive points under each point scoring category, explaining that the scoring criteria set forth in Regulation 5230 "will be used to evaluate and rank all Applications whether for Mixed Income Projects, Rural Projects or other Qualified Residential Rental Projects…." (emphasis added). The RHC Project proposed in the Application is a "Qualified Residential Rental Project" under the Regulations, and therefore is entitled to all point scoring categories set forth in Regulation 5230.

Regulation 5230(b) also expressly provides that all Qualified Residential Rental Project applicants are eligible to receive points under Regulation 5230(b), explaining that "[p]rojects meeting the following criteria shall receive the following points, up to a maximum of 20 points…." If CDLAC had intended to restrict points under Regulation 5230(b) only to projects competing in CDLAC's Preservation Pool, CDLAC should have expressly provided for that limitation in the Regulations. Yet the existing Regulations contain no such limitation. Quite the opposite: the Regulations provide that <u>all</u> Qualified Residential Rental Projects that meet the point scoring criteria under 5230(b) <u>shall</u> receive the requisite points.

2. **<u>CDLAC's application materials also provide that ALL Qualified Residential Rental Projects are eligible to receive points under Section 5230(b)</u>.** Consistent with Regulation 5230, the CDLAC application materials for the December 9, 2020 application round instruct applicants to identify all project types that apply to the proposed project. Section 5 of the CDLAC application materials (Project Type and Characteristics) instructs the applicant to "[c]heck as many items as are applicable to the Project," followed by a list of project types that includes <u>both</u> "Preservation Projects," described in Regulation 5230(b) as being subject to existing HAP or other rental/operating assistance contracts, <u>and</u> "New Construction Projects" as defined in Regulation 5170. The RHC Project qualifies under <u>both</u> of these project types, as defined in the Regulations, and therefore checked both boxes, consistent with the Regulations and consistent with the express instructions in the application.

3. **<u>Regulation 5034 requires CDLAC to rank applications in a competitive application process according to the number of points awarded pursuant to the evaluation criteria in the Regulations, and therefore CDLAC must account for all of the points the RHC Project qualifies for, including points under Regulation 5230(b)</u>**. Regulation 5034 obligates CDLAC to score all projects in competitive application rounds according to the points those projects attain under CDLAC's point scoring criteria. Regulation 5034 prevents CDLAC from awarding a project fewer points than that project qualifies for under the point scoring formulation provided in the Regulations. Yet this is exactly what CDLAC has done in its final recommendations for the December 9, 2020 CDLAC meeting, by wrongly depriving the points under Regulation 5230(b) to a project that objectively qualifies for those points under the express terms of the Regulations, and despite express instructions in CDLAC's own application materials instructing the applicant to apply for those points.

4. **<u>CDLAC staff's interpretation of Regulation 5230(b) is not supported by the Regulations</u>.** In a letter responding to the Applicant's November 19, 2020 appeal of the preliminary CDLAC staff recommendation for the RHC Project, CDLAC's Executive Director explained to the Applicant that CDLAC "interprets" Regulation 5230(b) as applying exclusively to "Preservation Projects," implying that the RHC Project is not a "Preservation Project." The express language of Regulation 5230(b) does not support this "interpretation" for the following reasons:

- First, as described in Section 1 above, the Regulations expressly provide that <u>all</u> Qualified Residential Rental Projects that meet the point scoring criteria under 5230(b) <u>shall</u> receive the requisite points.
- Second, the Regulations do not define "Preservation Project," and therefore there is nothing in the Regulations supporting CDLAC staff's interpretation that a "Preservation Project"

cannot also be a New Construction Project. On the contrary, the Regulations and the CDLAC application materials provide that <u>all</u> Qualified Residential Rental Projects are eligible to receive points under Regulation 5230(b) if they meet the objective criteria enumerated in that Section.

- Third, the Regulations <u>do</u> define "Preservation Pool," and the RHC Project categorically meets the qualifying criteria for the Preservation Pool by satisfying Regulation 5170 (definition of "Preservation Pool"). The RHC Project qualifies under subsection (2) of the definition of "Preservation Pool ("any <u>replacement</u> or rehabilitation project approved by HUD pursuant to a Section 18 Demolition/Disposition authorization" (emphasis added)).

The RHC Project meets the objective criteria for receiving points under Regulation 5230(b), and <u>also</u> meets the qualifying criteria for CDLAC's "Preservation Pool." Either way, the RHC Project qualifies for points under Regulation 5230(b). CDLAC staff does not have the authority to "interpret" the Regulations to deny the RHC Project its points under Regulation 5230(b).

5. **<u>CDLAC's proposed 2021 Regulations limit points under Regulation 5230(b) to preservation and other rehabilitation projects, but there would be no need for this proposed revision if the existing CDLAC regulations already imposed this limitation</u>**. CDLAC is currently working on revised regulations for 2021, including an overhaul of Regulation 5230(b). These proposed revisions do not apply to the RHC Project's current application in front of CDLAC. However, the content of those proposed revisions is relevant for purposes of understanding CDLAC's current regulations. Proposed new Regulation 5230(b) provides that only preservation and other rehabilitation projects are eligible to receive points under Section 5230(b). The fact that CDLAC is <u>now</u> proposing to limit points in Regulation 5230(b) to preservation and other rehabilitation projects, and to exclude new construction pool projects from this point category, necessarily means that <u>Regulation 5230(b) as it exists today does NOT restrict eligibility for points in this manner</u>. Otherwise, there would be no need for this change. Yet the RHC Project is not competing under the proposed revised regulations. It is competing under the existing Regulations. <u>The existing Regulations provide that all Qualified Residential Rental Project applicants (including New Construction pool projects) are eligible to receive points under Section 5230(b)</u>.

6. **<u>The RHC Project addresses a critical housing need in the City of Los Angeles, while preserving precious federal housing subsidies. CDLAC should follow its own rules and award the mandated Section 5230(b) points to support the RHC Project</u>**. As described in the cover letter from the RHC Project sponsors, the RHC Project is a critically needed rebuild of an existing public housing project in Los Angeles, with deep affordability for vulnerable Los Angeles families and a substantial financial commitment from federal, state and local government. The RHC Project also constitutes phase one of a two-phase project, with the second phase also offering a critically needed rebuild of an existing public housing project. If CDLAC does not award the requested Section 5230(b) points for the RHC Project, in violation of the express language of CDLAC's own Regulations and CDLAC's own application documents, then CDLAC will needlessly damage and delay not just one, but two priority affordable housing projects for HUD,

the State of California, and the City of Los Angeles. CDLAC must follow its own rules and grant the Section 5230(b) points to which the RHC Project is entitled.

Sincerely,

Ofer Elitzur,
Cox, Castle & Nicholson LLP

Blackwelll, Judith

From:	Jenny Scanlin <Jenny.Scanlin@hacla.org>
Sent:	Wednesday, December 2, 2020 10:14 PM
To:	Blackwelll, Judith
Cc:	Cardone, Frank; Witte, Bill; Kwok-Linehan, Shaena
Subject:	RE: Rose Hill Courts Appeal

Judith:

At Rose Hill Courts ("RHC"), our project serves a population that is primarily comprised of extremely low income senior households who belong to an underrepresented racial or ethnic group and have or reside with a family member who has a disability. These demographics place our residents among the most COVID vulnerable populations which is why more than ever our project must be considered for additional project funding allocation.

According to data collected from the Centers for Disease Control and Prevention, COVID has disproportionally affected the Hispanic/Latino and Black/African-American population. At Rose Hill Courts, the majority of our residents represent these racial and ethnic groups with 83.4% identifying as Hispanic or Latino and 7.5% identifying as Black or African-American. Age and medical condition are also factors in determining the COVID vulnerability of a population and among the 87 households in Rose Hill Courts, 58.6% of households have a head of household or spouse who is 62 years of age or older and 42.5% of households report having a resident with a disability. The nature and severity of the disabilities are mainly those of mobility, due to conditions of arthritis, vision impairment, and joint, back, hip, arm and leg problems but there are also residents who report having issues such as chronic illness, diabetes, and cancer which have been identified as underlying medication conditions that put an individual at greater risk of severe illness if they contract the virus.

The socio-economic status of our residents should also be considered since groups with very low and extremely low income are particularly vulnerable to not only the health effects of the virus but the economic hardships caused by limited work hours and job loss. At Rose Hill Courts, 11.5% of households are classified as having very low income and 73.6% of households are classified as having extremely low income.

Collectively, these factors place the residents of Rose Hill Courts at a greater risk of experiencing the health and economic hardships associated with the Corona virus and why we believe the Committee should prioritize the Rose Hill Courts project for additional funding allocation.

Respectfully,

Jenny

Jenny Scanlin | Chief Development Officer
Bureau for Strategic Development
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd | 3rd Floor | Los Angeles | CA 90057
T☎ 213-252-2680 | C☎ 213-615-9007 | ✉ jenny.scanlin@hacla.org
Build HOPE: Investing in People and Place

From: Kwok-Linehan, Shaena <Shaena.Kwok-Linehan@related.com>
Sent: Monday, November 30, 2020 5:21 PM
To: 'Judith.Blackwell@treasurer.ca.gov'
Cc: Witte, Bill; Cardone, Frank; Silverberg, Ann
Subject: Rose Hill Courts Appeal

AGENDA ITEM 7

Consideration of Applications funded from $600 Million Reversion by Xpress West Train Project

Date: December 18, 2020

To: CDLAC Committee Members

From: Judith Blackwell, Executive Director

Re: Train Bond Reallocation

The attached spreadsheet lays out three different options for utilizing the Bond Allocation that was returned from the Train project.

Option 1: Proposes to use the remaining 2020 Volume Cap to allocate down the list of “New Construction Pool” projects. 18 projects will benefit, leaving a net of $36,017,127 of 2020 Volume Cap which could be deployed into other pools.

Option 2: Proposes to use the remaining 2020 Volume Cap to allocate 17 projects in the “New Construction Pool” with roughly $500 million. The remaining 2020 Volume Cap would provide allocation to three projects in the “Preservation Pool”, leaving a net of $79,385 of 2020 Volume Cap remaining.

Option 3: Proposes to allocate 2020 Volume Cap to the highest scoring projects down to 121.4 in the “New Construction Pool”. The remaining 2020 Volume Cap would be allocated towards the “Preservation Pool” leaving a net of $37,345,720 which could be deployed into other pools.

The proposed information is for use during the upcoming CDLAC meeting scheduled for December 21.

California Debt Limit Allocation Committee
Final Staff Recommendations for December 21, 2020 Meeting
QUALIFIED RESIDENTIAL RENTAL PROJECTS
Option 1

REMAINING NEW CONSTRUCTION PROJECT POOL APPLICATIONS — **AVAILABLE:** ***$563,221,092***

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	Expiring 2019 DDA	≤ 30 AMI	≤ 40 AMI	≤ 50 AMI	Homeles s Units	Special Needs/ Senior	Special Needs/ Mental Health	Special Needs/ Family	TOTAL SN UNITS	SN % of Total Units	Project Unit Totals	MFH TYPE	TOTAL PTS EARNED	TIE- BRKR	REQUSTD AMOUNT	2020 VOLUME CAP RECOMMEND AMOUNT	PREV YR CRY FRWD	Cummulative
20-696	City of San Jose	Immanuel-Sobrato Community	San Jose	Santa Clara	No	0	0	96	106	0	0	0	106	100%	108	SN	125.0	$330,000	$34,980,000	$34,980,000		$34,980,000
20-680	City of Los Angeles	Solaris Apts.	Los Angeles	Los Angeles	No	42	0	0	42	0	0	0	42	100%	43	SN	125.0	$333,333	$14,000,000	$14,000,000		$48,980,000
20-741	City of Los Angeles	6th and San Julian	Los Angeles	Los Angeles	No	93	0	0	93	0	0	0	93	100%	94	Family/SN	125.0	$358,588	$33,348,722	$33,348,722		$82,328,722
20-692	CMFA	Fruitvale Transit Village Phase IIB	Oakland	Alameda	No	46	0	29	46	0	0	0	46	26%	181	Family	125.0	$371,064	$62,709,790	$62,709,790		$145,038,512
20-733	CalHFA	Residency at the Mayer Hollywood	Los Angeles	Los Angeles	No	32	0	7	0	0	0	0	0	0	79	Senior	125.0	$378,205	$29,500,000	$29,500,000		$174,538,512
20-709	Ci & Co of San Francisco	4840 Mission	San Francisco	San Francisco	Yes	14	22	67	0	0	0	0	0	0	137	Family	125.0	$414,038	$51,340,687	$51,340,687		$225,879,199
20-737	Ci & Co of San Francisco	Balboa Park Upper Yard	San Francisco	San Francisco	Yes	27	62	0	0	0	0	0	0	0	131	Family	125.0	$553,097	$62,500,000	$62,500,000		$288,379,199
20-670	HA of the City of Los Angeles	Rose Hill Courts Phase I	Los Angeles	Los Angeles	No	6	27	44	0	0	0	0	0	0	89	Family	125.0	$612,378	$31,843,632	$31,843,632		$320,222,831
20-721	City of Los Angeles	La Guadalupe	Los Angeles	Los Angeles	No	33	0	10	43	0	0	0	43	100%	44	Family/SN	124.0	$311,586	$13,398,178	$13,398,178		$333,621,009
20-665	CMFA	Terracina at Lancaster	Lancaster	Los Angeles	No	0	0	78	0	0	0	0	0	0	264	Family	121.4	$157,692	$41,000,000	$41,000,000		$374,621,009
20-712	HA of the City of Sacramento	Northlake Senior Apts.	Sacramento	Sacramento	No	0	0	58	0	189	0	0	189	100%	191	Senior	120.0	$113,757	$21,500,000	$21,500,000		$396,121,009
20-671	CalPFA	Bidwell Place Apts.	Folsom	Sacramento	No	4	0	19	0	0	0	0	0	0	75	Family	120.0	$137,432	$10,170,000		$ 10,170,000.00	$396,121,009
20-735	HA of the City of San Diego	2139 El Cajon Blvd	San Diego	San Diego	No	0	0	54	0	0	0	0	0	0	61	Family	120.0	$225,000	$12,150,000	$12,150,000		$408,271,009
20-697	CMFA	Butterfly Gardens	Clovis	Fresno	No	73	0	0	37	0	36	0	73	100%	73	Family	120.0	$225,342	$16,450,000	$16,450,000		$424,721,009
20-695	City of Los Angeles	11010 Santa Monica Boulevard	Los Angeles	Los Angeles	No	0	0	18	50	0	0	0	50	100%	51	Senior	120.0	$270,980	$13,549,000	$13,549,000		$438,270,009
20-731	City of San Jose	Blossom Hill Senior Apts.	San Jose	Santa Clara	No	48	48	49	49	0	0	0	49	34%	147	Family	120.0	$271,466	$39,362,559	$39,362,559		$477,632,568
20-716	CMFA	Pony Express Senior Apts.	Vacaville	Solano	No	29	30	0	15	0	0	0	15	25%	60	Senior	120.0	$275,481	$16,253,397	$16,253,397		$493,885,965
20-694	LACDA	West Carson Villas	Torrance	Los Angeles	No	63	12	0	0	0	7	19	26	24%	110	Family	120.0	$302,891	$33,318,000	$33,318,000		$527,203,965
20-722	CMFA	Bell Street Gardens (Scattered Site)	Fremont	Alameda	No	67	26	33	17	0	0	32	49	39%	128	Family	120.0	$354,762	$44,700,000	Remaining 2020 allocation		$36,017,127
					TOTALS:	577	227	562	498	189	43	51	781		2,066							
						≤ 30 AMI	≤ 40 AMI	≤ 50 AMI	Homeles s Units	Special Needs/ Senior	Special Needs/ Mental Health	Special Needs/ Family	TOTAL SN UNITS		Project Unit Totals							
						74%	29%	72%	64%	24%	6%	7%	38%									

Preservation Pool

California Debt Limit Allocation Committee
Final Staff Recommendations for December 21, 2020 Meeting
QUALIFIED RESIDENTIAL RENTAL PROJECTS
Option 1

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	MFH TYPE	PRES PTS	AFFRD PTS	EXC MIN RENT REST	GROSS RENTS	LRG FAM PTS	LVRG PTS	CRA PTS	SITE PTS	SERV PTS	SUBST RENO PTS	BLDG MTHD PTS	PNLTY PTS	EXC MIN TERM PTS	DEV FEE	TOTAL PTS EARNED	TIE-BRKR	REQUSTD AMOUNT	2020 VOLUME CAP RECOM AMOUNT	PREV YR CRY FRWD	Cummulative
20-688	CSCDA	Harriet Tubman Terrace Apts.	Berkeley	Alameda	Senior	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$248,667	$22,380,000			
20-673	CalPFA	Towne Square Apts.	Los Angeles	Los Angeles	Family	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$280,000	$14,000,000			
20-742	HA of the County of Santa Barbara	Central Plaza Apts.	Santa Maria	Santa Barbara	Family	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$315,315	$35,000,000			
20-710	Ci & Co of San Francisco	Throughline Apts.	San Francisco	San Francisco	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$341,083	$28,992,043			
20-672	CMFA	Centertown Apts.	San Rafael	Marin	Family	20.0	35.0	0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$363,272	$21,433,057			
20-676	CMFA	Barrett Terrace Apts.	Richmond	Contra Costa	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$444,080	$41,743,521			
20-666	CMFA	The Hilarita	Tiburon	Marin	Family	20.0	35.0	0.0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$473,564	$38,832,233			
20-711	Ci & Co of San Francisco	San Cristina	San Francisco	San Francisco	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$497,652	$28,863,803			
20-743	HA of the County of Santa Barbara	Thompson Park Apts. (Scattered	Lompoc	Santa Barbara	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$535,714	$15,000,000			
20-700	CMFA	Depot Commons and Willows Apts.	Morgan Hill	Santa Clara	Family	20	35.0	0.0	2.5	5.0	10.0	0.0	9.0	10.0	10.0	10.0	0.0	10.0	10.0	131.5	$366,219	$13,550,117			
20-681	CSCDA	Summertree Apts.	Woodland	Yolo	Family	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$164,835	$15,000,000			
20-732	CMFA	Cathedral Plaza	San Diego	San Diego	Senior	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$197,227	$43,390,000			
20-687	CSCDA	Redwood Gardens Apts.	Berkeley	Alameda	Senior	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$299,401	$50,000,000			
20-689	CMFA	Scattered Sites	Carpinteria/Santa Barbara	Santa Barbara	Family	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$312,411	$28,741,778			
20-667	CMFA	Plymouth Place	Stockton	San Joaquin	Senior	20.0	35.0	0.0	5.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	120.0	$149,876	$9,592,064			

Other Affordable Project Pool

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	MFH TYPE	AFFORD PTS	EXC MIN RENT RESTR	GROSS RENTS	LRG FAM PTS	LVRG PTS	CRA PTS	SITE PTS	SERV PTS	NC PTS	SUBST RENOV PTS	BLDG MTHD PTS	PNLTY PTS	EXC MIN TERM PTS	DEV FEE	TOTAL PTS EARNED	TIE-BRKR	REQUESTED AMOUNT	2020 VOLUME CAP RECOMMEND AMOUNT	PREVIOUS YEAR CARRY FORWARD	Cummulative
20-673	CalPFA	Towne Square Apts.	Los Angeles	Los Angeles	Family	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$280,000	$14,000,000			
20-699	Ci & Co of San Francisco	Yosemite Folsom Dore (Scattered)	San Francisco	San Francisco	Family	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$325,097	$41,612,363			
20-672	CMFA	Centertown Apts.	San Rafael	Marin	Family	35.0	10.0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$363,272	$21,433,057			
20-707	CalHFA	Baywood Apts.	Oakland	Alameda	Senior	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$381,579	$29,000,000			
20-663	CMFA	Willow Greenridge (Scattered-Site)	South San Francisco	San Mateo	Family	35.0	10.0	5.0	2.5	10.0	0.0	10.0	5.0	10.0	9.0	10.0	0.0	10.0	10.0	135.0	$540,399	$32,423,966			
20-717	CMFA	Kristine II	Bakersfield	Kern	Family	35.0	10.0	5.0	5.0	10.0	5.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	130.0	$113,564	$6,700,252			

California Debt Limit Allocation Committee
Final Staff Recommendations for December 21, 2020 Meeting
QUALIFIED RESIDENTIAL RENTAL PROJECTS
Option 1

20-738	HA of the City of San Diego	Mercado Apts.	San Diego	San Diego	Family	35.0	10.0	5.0	5.0	10.0	5.0	10.0	10.0	10.0	0.0	10.0	0.0	10.0	10.0	130.0	$163,913	$23,275,713			
20-720	CMFA	San Martin de Porres Apts.	Spring Valley	San Diego	Family	35.0	10.0	5.0	5.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	125.0	$136,231	$15,666,547			
20-702	CMFA	Las Coronas (Scattered)	Corona	Riverside	Family	35.0	10.0	5.0	0.00	0.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	125.0	$198,758	$32,000,000			
20-713	CMFA	Villa Ciolino Apts.	Morgan Hill	Santa Clara	Family	35.0	0.0	5.0	5.0	10.0	0.0	5.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	110.0	$296,841	$12,170,464			

California Debt Limit Allocation Committee

Final Staff Recommendations for December 21, 2020 Meeting

QUALIFIED RESIDENTIAL RENTAL PROJECTS

Option 2

REMAINING NEW CONSTRUCTION PROJECT POOL APPLICATIONS

AVAILABLE: ***$563,221,092***

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	Expiring 2019 DDA	≤ 30 AMI	≤ 40 AMI	≤ 50 AMI	Homeless Units	Special Needs/ Senior	Special Needs/ Mental Health	Special Needs/ Family	TOTAL SN UNITS	SN % of Total Units	Project Unit Totals	MFH TYPE	TOTAL PTS EARNED	TIE- BRKR	REQUSTD AMOUNT	2020 VOLUME CAP RECOMMEND AMOUNT	PREV YR CRY FRWD	Cummulative
20-696	City of San Jose	Immanuel-Sobrato Community	San Jose	Santa Clara	No	0	0	96	106	0	0	0	106	100%	108	SN	125.0	$330,000	$34,980,000	$34,980,000	0	$34,980,000
20-680	City of Los Angeles	Solaris Apts.	Los Angeles	Los Angeles	No	42	0	0	42	0	0	0	42	100%	43	SN	125.0	$333,333	$14,000,000	$14,000,000	0	$48,980,000
20-741	City of Los Angeles	6th and San Julian	Los Angeles	Los Angeles	No	93	0	0	93	0	0	0	93	100%	94	Family/SN	125.0	$358,588	$33,348,722	$33,348,722	0	$82,328,722
20-692	CMFA	Fruitvale Transit Village Phase IIB	Oakland	Alameda	No	46	0	29	46	0	0	0	46	26%	181	Family	125.0	$371,064	$62,709,790	$62,709,790	0	$145,038,512
20-733	CalHFA	Residency at the Mayer Hollywood	Los Angeles	Los Angeles	No	32	0	7	0	0	0	0	0	0	79	Senior	125.0	$378,205	$29,500,000	$29,500,000	0	$174,538,512
20-709	Ci & Co of San Francisco	4840 Mission	San Francisco	San Francisco	Yes	14	22	67	0	0	0	0	0	0	137	Family	125.0	$414,038	$51,340,687	$51,340,687	0	$225,879,199
20-737	Ci & Co of San Francisco	Balboa Park Upper Yard	San Francisco	San Francisco	Yes	27	62	0	0	0	0	0	0	0	131	Family	125.0	$553,097	$62,500,000	$62,500,000	0	$288,379,199
20-670	HA of the City of Los Angeles	Rose Hill Courts Phase I	Los Angeles	Los Angeles	No	6	27	44	0	0	0	0	0	0	89	Family	125.0	$612,378	$31,843,632	$31,843,632	0	$320,222,831
20-721	City of Los Angeles	La Guadalupe	Los Angeles	Los Angeles	No	33	0	10	43	0	0	0	43	100%	44	Family/SN	124.0	$311,586	$13,398,178	$13,398,178	0	$333,621,009
20-665	CMFA	Terracina at Lancaster	Lancaster	Los Angeles	No	0	0	78	0	0	0	0	0	0	264	Family	121.4	$157,692	$41,000,000	$41,000,000	0	$374,621,009
20-712	HA of the City of Sacramento	Northlake Senior Apts.	Sacramento	Sacramento	No	0	0	58	0	189	0	0	189	100%	191	Senior	120.0	$113,757	$21,500,000	$21,500,000	0	$396,121,009
20-671	CalPFA	Bidwell Place Apts.	Folsom	Sacramento	No	4	0	19	0	0	0	0	0	0	75	Family	120.0	$137,432	$10,170,000	0	$ 10,170,000.00	$396,121,009
20-735	HA of the City of San Diego	2139 El Cajon Blvd	San Diego	San Diego	No	0	0	54	0	0	0	0	0	0	61	Family	120.0	$225,000	$12,150,000	$12,150,000	0	$408,271,009
20-697	CMFA	Butterfly Gardens	Clovis	Fresno	No	73	0	0	37	0	36	0	73	100%	73	Family	120.0	$225,342	$16,450,000	$16,450,000	0	$424,721,009
20-695	City of Los Angeles	11010 Santa Monica Boulevard	Los Angeles	Los Angeles	No	0	0	18	50	0	0	0	50	100%	51	Senior	120.0	$270,980	$13,549,000	$13,549,000	0	$438,270,009
20-731	City of San Jose	Blossom Hill Senior Apts.	San Jose	Santa Clara	No	48	48	49	49	0	0	0	49	34%	147	Family	120.0	$271,466	$39,362,559	$39,362,559	0	$477,632,568
20-716	CMFA	Pony Express Senior Apts.	Vacaville	Solano	No	29	30	0	15	0	0	0	15	25%	60	Senior	120.0	$275,481	$16,253,397	$16,253,397	0	$493,885,965
20-694	LACDA	West Carson Villas	Torrance	Los Angeles	No	63	12	0	0	0	7	19	26	24%	110	Family	120.0	$302,891	$33,318,000			
20-722	CMFA	Bell Street Gardens (Scattered Site)	Fremont	Alameda	No	67	26	33	17	0	0	32	49	39%	128	Family	120.0	$354,762	$44,700,000			
					TOTALS:	577	227	562	498	189	43	51	781		2,066							
						≤ 30 AMI	≤ 40 AMI	≤ 50 AMI	Homeless Units	Special Needs/ Senior	Special Needs/ Mental Health	Special Needs/ Family	TOTAL SN UNITS		Project Unit Totals							
						74%	29%	72%	64%	24%	6%	7%	38%									

Preservation Pool

California Debt Limit Allocation Committee
Final Staff Recommendations for December 21, 2020 Meeting
QUALIFIED RESIDENTIAL RENTAL PROJECTS
Option 2

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	MFH TYPE	PRES PTS	AFFRD PTS	EXC MIN RENT REST	GROSS RENTS	LRG FAM PTS	LVRG PTS	CRA PTS	SITE PTS	SERV PTS	SUBST RENO PTS	BLDG MTHD PTS	PNLTY PTS	EXC MIN TERM PTS	DEV FEE	TOTAL PTS EARNED	TIE-BRKR	REQUSTD AMOUNT	2020 VOLUME CAP RECOM AMOUNT	PREV YR CRY FRWD	Cummulative
20-688	CSCDA	Harriet Tubman Terrace Apts.	Berkeley	Alameda	Senior	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$248,667	$22,380,000	$22,380,000	$0	$516,265,965
20-673	CalPFA	Towne Square Apts.	Los Angeles	Los Angeles	Family	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$280,000	$14,000,000	$11,875,742	$ 2,124,258.00	$528,141,707
20-742	HA of the County of Santa Barbara	Central Plaza Apts.	Santa Maria	Santa Barbara	Family	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$315,315	$35,000,000	$35,000,000	0	$563,141,707
20-710	Ci & Co of San Francisco	Throughline Apts.	San Francisco	San Francisco	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$341,083	$28,992,043	Remaining 2020 allocation		$79,385
20-672	CMFA	Centertown Apts.	San Rafael	Marin	Family	20.0	35.0	0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$363,272	$21,433,057			
20-676	CMFA	Barrett Terrace Apts.	Richmond	Contra Costa	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$444,080	$41,743,521			
20-666	CMFA	The Hilarita	Tiburon	Marin	Family	20.0	35.0	0.0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$473,564	$38,832,233			
20-711	Ci & Co of San Francisco	San Cristina	San Francisco	San Francisco	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$497,652	$28,863,803			
20-743	HA of the County of Santa Barbara	Thompson Park Apts. (Scattered	Lompoc	Santa Barbara	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$535,714	$15,000,000			
20-700	CMFA	Depot Commons and Willows Apts.	Morgan Hill	Santa Clara	Family	20	35.0	0.0	2.5	5.0	10.0	0.0	9.0	10.0	10.0	10.0	0.0	10.0	10.0	131.5	$366,219	$13,550,117			
20-681	CSCDA	Summertree Apts.	Woodland	Yolo	Family	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$164,835	$15,000,000			
20-732	CMFA	Cathedral Plaza	San Diego	San Diego	Senior	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$197,227	$43,390,000			
20-687	CSCDA	Redwood Gardens Apts.	Berkeley	Alameda	Senior	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$299,401	$50,000,000			
20-689	CMFA	Scattered Sites	Carpinteria/Santa Barbara	Santa Barbara	Family	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$312,411	$28,741,778			
20-667	CMFA	Plymouth Place	Stockton	San Joaquin	Senior	20.0	35.0	0.0	5.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	120.0	$149,876	$9,592,064			

Other Affordable Project Pool

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	MFH TYPE	AFFORD PTS	EXC MIN RENT RESTR	GROSS RENTS	LRG FAM PTS	LVRG PTS	CRA PTS	SITE PTS	SERV PTS	NC PTS	SUBST RENOV PTS	BLDG MTHD PTS	PNLTY PTS	EXC MIN TERM PTS	DEV FEE	TOTAL PTS EARNED	TIE-BRKR	REQUESTED AMOUNT	2020 VOLUME CAP RECOMMEND AMOUNT	PREVIOUS YEAR CARRY FORWARD	Cummulative
20-673	CalPFA	Towne Square Apts.	Los Angeles	Los Angeles	Family	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$280,000	$14,000,000			
20-699	Ci & Co of San Francisco	Yosemite Folsom Dore (Scattered)	San Francisco	San Francisco	Family	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$325,097	$41,612,363			
20-672	CMFA	Centertown Apts.	San Rafael	Marin	Family	35.0	10.0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$363,272	$21,433,057			
20-707	CalHFA	Baywood Apts.	Oakland	Alameda	Senior	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$381,579	$29,000,000			
20-663	CMFA	Willow Greenridge (Scattered-Site)	South San Francisco	San Mateo	Family	35.0	10.0	5.0	2.5	10.0	0.0	10.0	5.0	10.0	9.0	10.0	0.0	10.0	10.0	135.0	$540,399	$32,423,966			
20-717	CMFA	Kristine II	Bakersfield	Kern	Family	35.0	10.0	5.0	5.0	10.0	5.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	130.0	$113,564	$6,700,252			

Option 2

20-738	HA of the City of San Diego	Mercado Apts.	San Diego	San Diego	Family	35.0	10.0	5.0	5.0	10.0	5.0	10.0	10.0	10.0	0.0	10.0	0.0	10.0	10.0	130.0	$163,913	$23,275,713			
20-720	CMFA	San Martin de Porres Apts.	Spring Valley	San Diego	Family	35.0	10.0	5.0	5.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	125.0	$136,231	$15,666,547			
20-702	CMFA	Las Coronas (Scattered)	Corona	Riverside	Family	35.0	10.0	5.0	0.00	0.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	125.0	$198,758	$32,000,000			
20-713	CMFA	Villa Ciolino Apts.	Morgan Hill	Santa Clara	Family	35.0	0.0	5.0	5.0	10.0	0.0	5.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	110.0	$296,841	$12,170,464			

California Debt Limit Allocation Committee
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REMAINING NEW CONSTRUCTION PROJECT POOL APPLICATIONS

AVAILABLE: $563,221,092

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	Expiring 2019 DDA	≤ 30 AMI	≤ 40 AMI	≤ 50 AMI	Homeless Units	Special Needs/ Senior	Special Needs/ Mental Health	Special Needs/ Family	TOTAL SN UNITS	SN % of Total Units	Project Unit Totals	MFH TYPE	TOTAL PTS EARNED	TIE- BRKR	REQUSTD AMOUNT	2020 VOLUME CAP RECOMMEND AMOUNT	PREV YR CRY FRWD	Cummulative
20-696	City of San Jose	Immanuel-Sobrato Community	San Jose	Santa Clara	No	0	0	96	106	0	0	0	106	100%	108	SN	125.0	$330,000	$34,980,000	$34,980,000	0	$34,980,000
20-680	City of Los Angeles	Solaris Apts.	Los Angeles	Los Angeles	No	42	0	0	42	0	0	0	42	100%	43	SN	125.0	$333,333	$14,000,000	$14,000,000	0	$48,980,000
20-741	City of Los Angeles	6th and San Julian	Los Angeles	Los Angeles	No	93	0	0	93	0	0	0	93	100%	94	Family/SN	125.0	$358,588	$33,348,722	$33,348,722	0	$82,328,722
20-692	CMFA	Fruitvale Transit Village Phase IIB	Oakland	Alameda	No	46	0	29	46	0	0	0	46	26%	181	Family	125.0	$371,064	$62,709,790	$62,709,790	0	$145,038,512
20-733	CalHFA	Residency at the Mayer Hollywood	Los Angeles	Los Angeles	No	32	0	7	0	0	0	0	0	0	79	Senior	125.0	$378,205	$29,500,000	$29,500,000	0	$174,538,512
20-709	Ci & Co of San Francisco	4840 Mission	San Francisco	San Francisco	Yes	14	22	67	0	0	0	0	0	0	137	Family	125.0	$414,038	$51,340,687	$51,340,687	0	$225,879,199
20-737	Ci & Co of San Francisco	Balboa Park Upper Yard	San Francisco	San Francisco	Yes	27	62	0	0	0	0	0	0	0	131	Family	125.0	$553,097	$62,500,000	$62,500,000	0	$288,379,199
20-670	HA of the City of Los Angeles	Rose Hill Courts Phase I	Los Angeles	Los Angeles	No	6	27	44	0	0	0	0	0	0	89	Family	125.0	$612,378	$31,843,632	$31,843,632	0	$320,222,831
20-721	City of Los Angeles	La Guadalupe	Los Angeles	Los Angeles	No	33	0	10	43	0	0	0	43	100%	44	Family/SN	124.0	$311,586	$13,398,178	$13,398,178	0	$333,621,009
20-665	CMFA	Terracina at Lancaster	Lancaster	Los Angeles	No	0	0	78	0	0	0	0	0	0	264	Family	121.4	$157,692	$41,000,000	$41,000,000	0	$374,621,009
20-712	HA of the City of Sacramento	Northlake Senior Apts.	Sacramento	Sacramento	No	0	0	58	0	189	0	0	189	100%	191	Senior	120.0	$113,757	$21,500,000			
20-671	CalPFA	Bidwell Place Apts.	Folsom	Sacramento	No	4	0	19	0	0	0	0	0	0	75	Family	120.0	$137,432	$10,170,000			
20-735	HA of the City of San Diego	2139 El Cajon Blvd	San Diego	San Diego	No	0	0	54	0	0	0	0	0	0	61	Family	120.0	$225,000	$12,150,000			
20-697	CMFA	Butterfly Gardens	Clovis	Fresno	No	73	0	0	37	0	36	0	73	100%	73	Family	120.0	$225,342	$16,450,000			
20-695	City of Los Angeles	11010 Santa Monica Boulevard	Los Angeles	Los Angeles	No	0	0	18	50	0	0	0	50	100%	51	Senior	120.0	$270,980	$13,549,000			
20-731	City of San Jose	Blossom Hill Senior Apts.	San Jose	Santa Clara	No	48	48	49	49	0	0	0	49	34%	147	Family	120.0	$271,466	$39,362,559			
20-716	CMFA	Pony Express Senior Apts.	Vacaville	Solano	No	29	30	0	15	0	0	0	15	25%	60	Senior	120.0	$275,481	$16,253,397			
20-694	LACDA	West Carson Villas	Torrance	Los Angeles	No	63	12	0	0	0	7	19	26	24%	110	Family	120.0	$302,891	$33,318,000			
20-722	CMFA	Bell Street Gardens (Scattered Site)	Fremont	Alameda	No	67	26	33	17	0	0	32	49	39%	128	Family	120.0	$354,762	$44,700,000			
					TOTALS:	577	227	562	498	189	43	51	781		2,066							
						≤ 30 AMI	≤ 40 AMI	≤ 50 AMI	Homeless Units	Special Needs/ Senior	Special Needs/ Mental Health	Special Needs/ Family	TOTAL SN UNITS		Project Unit Totals							
						74%	29%	72%	64%	24%	6%	7%	38%									

California Debt Limit Allocation Committee
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Preservation Pool

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	MFH TYPE	PRES PTS	AFFRD PTS	EXC MIN RENT REST	GROSS RENTS	LRG FAM PTS	LVRG PTS	CRA PTS	SITE PTS	SERV PTS	SUBST RENO PTS	BLDG MTHD PTS	PNLTY PTS	EXC MIN TERM PTS	DEV FEE	TOTAL PTS EARNED	TIE-BRKR	REQUSTD AMOUNT	2020 VOLUME CAP RECOM AMOUNT	PREV YR CRY FRWD	Cummulative
20-688	CSCDA	Harriet Tubman Terrace Apts.	Berkeley	Alameda	Senior	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$248,667	$22,380,000	$22,380,000	$0	$397,001,009
20-673	CalPFA	Towne Square Apts.	Los Angeles	Los Angeles	Family	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$280,000	$14,000,000	$1,705,742	$12,294,258	$398,706,751
20-742	HA of the County of Santa Barbara	Central Plaza Apts.	Santa Maria	Santa Barbara	Family	20	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$315,315	$35,000,000	$35,000,000	0	$433,706,751
20-710	Ci & Co of San Francisco	Throughline Apts.	San Francisco	San Francisco	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$341,083	$28,992,043	$28,992,043	$0	$462,698,794
20-672	CMFA	Centertown Apts.	San Rafael	Marin	Family	20.0	35.0	0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$363,272	$21,433,057	$21,433,057	$0	$484,131,851
20-676	CMFA	Barrett Terrace Apts.	Richmond	Contra Costa	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$444,080	$41,743,521	$41,743,521	$0	$525,875,372
20-666	CMFA	The Hilarita	Tiburon	Marin	Family	20.0	35.0	0.0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$473,564	$38,832,233	Remaining 2020 allocation		$37,345,720
20-711	Ci & Co of San Francisco	San Cristina	San Francisco	San Francisco	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$497,652	$28,863,803			
20-743	HA of the County of Santa Barbara	Thompson Park Apts. (Scattered	Lompoc	Santa Barbara	Family	20.0	35.0	0.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$535,714	$15,000,000			
20-700	CMFA	Depot Commons and Willows Apts.	Morgan Hill	Santa Clara	Family	20	35.0	0.0	2.5	5.0	10.0	0.0	9.0	10.0	10.0	10.0	0.0	10.0	10.0	131.5	$366,219	$13,550,117			
20-681	CSCDA	Summertree Apts.	Woodland	Yolo	Family	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$164,835	$15,000,000			
20-732	CMFA	Cathedral Plaza	San Diego	San Diego	Senior	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$197,227	$43,390,000			
20-687	CSCDA	Redwood Gardens Apts.	Berkeley	Alameda	Senior	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$299,401	$50,000,000			
20-689	CMFA	Scattered Sites	Carpinteria/Santa Barbara	Santa Barbara	Family	20.0	35.0	0.0	5.0	0.0	10.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	130.0	$312,411	$28,741,778			
20-667	CMFA	Plymouth Place	Stockton	San Joaquin	Senior	20.0	35.0	0.0	5.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	120.0	$149,876	$9,592,064			

Other Affordable Project Pool

APPL #	APPLICANT	PROJECT NAME	PROJECT CITY	PROJECT COUNTY	MFH TYPE	AFFORD PTS	EXC MIN RENT RESTR	GROSS RENTS	LRG FAM PTS	LVRG PTS	CRA PTS	SITE PTS	SERV PTS	NC PTS	SUBST RENOV PTS	BLDG MTHD PTS	PNLTY PTS	EXC MIN TERM PTS	DEV FEE	TOTAL PTS EARNED	TIE-BRKR	REQUESTED AMOUNT	2020 VOLUME CAP RECOMMEND AMOUNT	PREVIOUS YEAR CARRY FORWARD	Cummulative
20-673	CalPFA	Towne Square Apts.	Los Angeles	Los Angeles	Family	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$280,000	$14,000,000			
20-699	Ci & Co of San Francisco	Yosemite Folsom Dore (Scattered)	San Francisco	San Francisco	Family	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$325,097	$41,612,363			
20-672	CMFA	Centertown Apts.	San Rafael	Marin	Family	35.0	10.0	5.0	5.0	10.0	0.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$363,272	$21,433,057			
20-707	CalHFA	Baywood Apts.	Oakland	Alameda	Senior	35.0	10.0	5.0	0.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	135.0	$381,579	$29,000,000			
20-663	CMFA	Willow Greenridge (Scattered-Site)	South San Francisco	San Mateo	Family	35.0	10.0	5.0	2.5	10.0	0.0	10.0	5.0	10.0	9.0	10.0	0.0	10.0	10.0	135.0	$540,339	$32,423,966			

QUALIFIED RESIDENTIAL RENTAL PROJECTS

Option 3

20-717	CMFA	Kristine II	Bakersfield	Kern	Family	35.0	10.0	5.0	5.0	10.0	5.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	130.0	$113,564	$6,700,252			
20-738	HA of the City of San Diego	Mercado Apts.	San Diego	San Diego	Family	35.0	10.0	5.0	5.0	10.0	5.0	10.0	10.0	10.0	0.0	10.0	0.0	10.0	10.0	130.0	$163,913	$23,275,713			
20-720	CMFA	San Martin de Porres Apts.	Spring Valley	San Diego	Family	35.0	10.0	5.0	5.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	125.0	$136,231	$15,666,547			
20-702	CMFA	Las Coronas (Scattered)	Corona	Riverside	Family	35.0	10.0	5.0	0.00	0.0	5.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0	10.0	125.0	$198,758	$32,000,000			
20-713	CMFA	Villa Ciolino Apts.	Morgan Hill	Santa Clara	Family	35.0	0.0	5.0	5.0	10.0	0.0	5.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	110.0	$296,841	$12,170,464			

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: **City of San Jose**

Allocation Amount Requested:

Tax-exempt:	$34,980,000

Project Information:

Name:	**Immanuel-Sobrato Community**
Project Address:	1710 Moorpark Avenue
Project City, County, Zip Code:	San Jose, Santa Clara, 95128

Project Sponsor Information:

Name:	MP Moorpark Associates, L.P. (MP Moorpark, LLC)
Principals:	Matthew O. Franklin, Jan M. Lindenthal, and Janine Lind for MP Moorpark, LLC
Property Management Company:	MidPen Property Management Company

Project Financing Information:

Bond Counsel:	Stradling, Yocca, Carlson & Rauth
Private Placement Purchaser:	Silicon Valley Bank/California Community Reinvestment Corporation
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:	108
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

Immanuel-Sobrato Community is a new construction project located in San Jose, CA 1.101-acre site. The project consists of 106 restricted rental units 2 unrestricted managers' units. The project will have 106 studio units and 2 two-bedroom units. The building will be a 4 story wood frame structure (Type V-A) over a 1 story concrete (Type I-A) podium base served by two elevators. Common amenities include a laundry room, outdoor terrace, file room, IDF closet, bike room, computer lab, conference room, fitness room, and services suite. Each unit will have full kitchens, cabinets, garbage disposal, refrigerator, stove/oven, and closets. There are 37 parking spaces provided. The project will be securing a GreenPoint Rated Building certification. Green features include the use of recycled content materials, energy and water efficient appliances and fixtures, photovoltaic panels, and drought-tolerant landscaping. The construction is expected to begin May 2021 and be completed in December 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

91% (96 units) restricted to 50% or less of area median income households.

9% (10 units) restricted to 60% or less of area median income households.

Unit Mix: Studio

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:	$	71,943,069	
Estimated Hard Costs per Unit:	$	382,506	($41,310,676 /108 units including mgr. units)
Estimated per Unit Cost:	$	666,140	($71,943,069 /108 units including mgr. units)
Allocation per Unit:	$	323,889	($34,980,000 /108 units including mgr. units)
Allocation per Restricted Rental Unit:	$	330,000	($34,980,000 /106 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 34,980,000	$ 17,198,000
LIH Tax Credit Equity	$ 0	$ 22,535,819
Developer Equity	$ 2,132,082	$ 0
Deferred Developer Fee	$ 300,000	$ 300,000
Deferred Costs	$ 4,547,221	$ 0
Accrues/Deferred Interest	$ 613,504	$ 613,504
GP Equity	$ 100	$ 100
MidPen / Sobrato Foundation	$ 2,610,000	$ 2,610,000
County of Santa Clara Measure A	$ 16,654,646	$ 16,654,646
City of San Jose	$ 9,045,516	$ 10,971,000
FHLB SF AHP	$ 1,060,000	$ 1,060,000
Total Sources	$ 71,943,069	$ 71,943,069

Uses of Funds:	
Land Cost/Acquisition	$ 4,143,831
Rehabilitation	$ 290,000
Relocation	$ 68,000
New Construction	$ 46,428,046
Contractor Overhead & Profit	$ 1,929,466
Architectural Fees	$ 1,882,796
Survey and Engineering	$ 567,000
Construction Interest and Fees	$ 3,954,907
Permanent Financing	$ 206,980
Legal Fees	$ 160,000
Reserves	$ 3,098,985
Appraisal	$ 15,000
Hard Cost Contingency	$ 3,041,540
Local Development Impact Fees	$ 1,327,413
Other Project Costs (Soft Costs, Marketing, etc.)	$ 2,029,105
Developer Costs	$ 2,800,000
Total Uses	$ 71,943,069

Analyst Comments:

The project cost per unit is $666,140 and the project cost per square foot of the structure is $919.67. The reason for the project's high costs is the location in the San Francisco Bay Area. The construction costs are based on contractor estimates for the market conditions assuming in May 2021, start of construction. Public funding sources impose additional restrictions and standards in design, accessibility and construction. We are also pursuing an all-electric building to meet the City of San Jose's REACH Code's goals of electrification and reduction of GHG emissions. We also use highly durable materials intended to reduce maintenance and repair costs over time. For example, we are using hard flooring in the units to cut down on carpet replacement costs and provide living areas that avoid future pest infestations. We have maximized the roof space to add photovoltaic panels to offset common area loads and cut down on electricity costs. Additionally, the project is subject to state and federal prevailing wages, which drives up overall project costs by approximately 20%. Due to the project's proximity to the freeway on its northern border, air quality and sound mitigation measures have been implemented, driving up costs on the building. All residential units, hallways, offices are provided with filtered air via Merv-13 filters. Units that are facing the 280 freeway will require exterior wall and/or window acoustical improvements to meet the required noise standards within interior living spaces. In particular, the City has required a significant amount of work on Moorpark Avenue that has been triggered by Department of Transportation's vacation of a traffic lane. This scope of work includes extensive replacement of curbs, gutters, sidewalk, replacing street lighting, traffic signal redesign, and replacement of a portion of the waterline. With all this in mind we believe our project costs are reasonable given the product type.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $34,980,000 in tax-exempt bond allocation on a carryforward basis.

Agenda Item No. 7.3
Application No. 20-696

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	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**	**125.00**

Agenda Item No. 7.31
Application No. 20-680

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: *Ken Otrotsyuk*

Applicant:	**City of Los Angeles**

Allocation Amount Requested:

Tax-exempt:	$14,000,000

Project Information:

Name:	**Solaris Apartments**
Project Address:	1141-1145 Crenshaw Blvd
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90019

Project Sponsor Information:

Name:	1141 Crenshaw, L.P. (Domus GP LLC & Koreatown Youth and Community Center)
Principals:	Jong C. Limb, Monique Hastings for Domus GP LLC; Johng Ho Song for Koreatown Youth and Community Center
Property Management Company:	Domus Management Company

Project Financing Information:

Bond Counsel:	Kutak Rock LLP
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:	43
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

Solaris Apartments is a new construction project located in Los Angeles on a 0.36-acre site. The project consists of 42 restricted rental units, 0 market rate units and 1 unrestricted managers' units. The project will have 26 one-bedroom units and 16 two- bedroom units. The building will be 4 stories over a one-story podium and wood-framed type V construction. Common amenities include secure building, elevator, community room, lobby lounge on the ground floor, common area, multi-purpose rooms, laundry room, case management offices, warming kitchen, bicycle storage, courtyard with community gardens and walking paths. Each unit will have a full kitchen including dishwasher, full bathroom, living area, dining area, heating & cooling air systems, energy-efficient appliances, furnished with a bed, dresser, dining table with chairs, sofa, coffee table and lamp. There are podium parking with 8 stalls provided. The project will be pursuing a GreenPoint Rated Certification. Green features include a large solar thermal water heating system, low-flow showerheads, toilets, and sink faucets will be installed whenever possible to reduce indoor water usage, native or drought-tolerant plants will be used for a minimum of 75% of landscaped areas, limiting conventional grass/turf to 25% of landscaped areas, will be used grouping plants with similar watering needs (hydrozones) and will be installed a high efficiency irrigation system with smart irrigation controls for all landscaping. The construction is expected to begin April 2021 and be completed in November 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (42 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:	$	26,950,000	
Estimated Hard Costs per Unit:	$	281,174	($12,090,472 /43 units including mgr. units)
Estimated per Unit Cost:	$	626,744	($26,950,000 /43 units including mgr. units)
Allocation per Unit:	$	325,581	($14,000,000 /43 units including mgr. units)
Allocation per Restricted Rental Unit:	$	333,333	($14,000,000 /42 restricted units)

Sources of Funds:	Construction		Permanent	
Tax-Exempt Bond Proceeds	$	14,000,000	$	5,130,000
LIH Tax Credit Equity	$	589,000	$	5,890,000
Developer Equity	$	0	$	26,548
Deferred Developer Fee	$	1,131,000	$	433,452
HCIDLA Prop HHH	$	5,000,000	$	9,240,000
LACDA NPLH	$	6,230,000	$	6,230,000
Total Sources	$	26,950,000	$	26,950,000

Uses of Funds:		
Land Cost/Acquisition	$	4,257,217
Rehabilitation	$	0
Relocation	$	0
New Construction	$	13,326,547
Contractor Overhead & Profit	$	853,333
Architectural Fees	$	605,000
Survey and Engineering	$	184,076
Construction Interest and Fees	$	1,216,702
Permanent Financing	$	72,000
Legal Fees	$	180,000
Reserves	$	702,872
Appraisal	$	15,000
Hard Cost Contingency	$	713,994
Local Development Impact Fees	$	390,500
Other Project Costs (Soft Costs, Marketing, etc.)	$	1,906,211
Developer Costs	$	2,526,548
Total Uses	$	26,950,000

Agenda Item No. 7.31
Application No. 20-680

Analyst Comments:

This project is considered a high cost per unit project.

The elements that have contributed to the increase in cost of the project over the medium cost of an affordable housing project in the Los Angeles area are: Escalating Material Prices; Land Cost and Impact of Smart Growth Overlays; Shortage of Labor; Premium for Permanent Supportive Housing Developments; Community Services Space over 3,800 square feet; Longer Construction Schedules; Design costs to reduce "Not In My Backyard" voices (securing neighborhood support).

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $14,000,000 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	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**	**125.00**

Agenda Item No. 7.32
Application No. 20-741

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: Norma Velarde

Applicant:	**City of Los Angeles**
Allocation Amount Requested:	
Tax-exempt:	$33,348,722
Project Information:	
Name:	**6th and San Julian**
Project Address:	401 E. 6th Street
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90013
Project Sponsor Information:	
Name:	Mercy Housing California 89, L.P. (Mercy Housing California 89,
Principals:	Ed Holder, President; Erika Villablanca, Vice President
Property Management Company:	Mercy Housing Management Group
Project Financing Information:	
Bond Counsel:	Kutak Rock LLP
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 P
Total Number of Units:	94
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

6th and San Julian Apartments is a new construction project located in Los Angeles on a 0.52 -acre site. The project consists of 93 restricted rental units and 1 unrestricted managers' units. The project will have 93 one-bedroom units. The building will be one 6-story building with 5 floors consisting of Type III-A over 1-story Type I-A. Common amenities include a community room, bike storage and maintenance space, courtyard, property manager's office, offices for on-site services, laundry rooms, trash chute, and a community-serving space. Each unit will have a stove, refrigerator, window coverings, high-quality durable finishes, energy-efficient fixtures and appliances, a bathroom and kitchen with water-efficient plumbing fixtures and a living area. There are 12 parking spaces provided. The project will be pursuing LEED designation at the "Certified" level. Green features include energy-efficient fixtures and appliances, water-efficient plumbing fixtures, and finishes with low or no VOCs. The project will also be constructed to accommodate future use of solar photovoltaic and solar hot water systems. Smaller unit sizes will make for less utility demand, and ample bike parking on-site will encourage greener travel habits for residents. The construction is expected to begin April 2021 and be completed in June 2022.

Agenda Item No. 7.32
Application No. 20-741

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (93 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: 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:	$ 59,782,492	
Estimated Hard Costs per Unit:	$ 290,198	($27,278,617 /94 units including mgr. units)
Estimated per Unit Cost:	$ 635,984	($59,782,492 /94 units including mgr. units)
Allocation per Unit:	$ 354,774	($33,348,722 /94 units including mgr. units)
Allocation per Restricted Rental Unit:	$ 358,588	($33,348,722 /93 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 33,348,722	$ 0
Tranche B Financing	$ 0	$ 2,301,000
Taxable Bond Proceeds	$ 8,799,364	$ 0
LIH Tax Credit Equity	$ 1,677,742	$ 18,622,417
Developer Equity	$ 100	$ 3,408,110
Deferred Developer Fee	$ 448,287	$ 448,287
Deferred Costs	$ 3,089,737	$ 0
HHH Loan	$ 7,320,000	$ 15,320,000
LACCD NPLH	$ 5,060,000	$ 5,060,000
Accrued/Deferred Interest	$ 38,540	$ 38,540
Total Sources	$ 59,782,492	$ 45,198,354

Uses of Funds:	
Land Cost/Acquisition	$ 7,158,443
New Construction	$ 30,481,040
Contractor Overhead & Profit	$ 884,502
Architectural Fees	$ 1,775,857
Survey and Engineering	$ 320,000
Construction Interest and Fees	$ 3,304,353
Permanent Financing	$ 52,258
Legal Fees	$ 225,000
Reserves	$ 1,450,240
Appraisal	$ 20,000
Hard Cost Contingency	$ 3,556,400
Local Development Impact Fees	$ 366,895
Other Project Costs (Soft Costs, Marketing, etc.)	$ 4,279,494
Developer Costs	$ 5,908,010
Total Uses	$ 59,782,492

Agenda Item No. 7.32
Application No. 20-741

Analyst Comments:

This project is considered a high cost per unit project due to high land costs in Downtown Los Angeles. The City of Los Angeles is presently in the midst of an affordable housing construction boom due to the large amounts of city funding being invested in affordable and special needs housing. This has reduced competition among the construction contractors who specialize in these projects and they are also facing staffing shortages and increased labor costs. The project requires demolition of an existing warehouse, which involves not only the tearing down of the building, but also the abatement of lead and asbestos. Additionally, there is soil contamination on the project site, which will require significant excavation, as well as construction of a vapor barrier and vapor extraction system. These demolition and abatement expenses add significant costs per unit to the project. The project is subject to both federal and state prevailing wage requirements due to its use of state and local funding programs such as SHMHP, No Place Like Home, and HHH. The project includes supportive service offices required for its special needs resident population, and is required to capitalize a large transition reserve due to LA County and HCD regulations for their No Place Like Home funding program.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $33,348,722 in tax-exempt bond allocation.

Agenda Item No. 7.32
Application No. 20-741

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	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**	**125.00**

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:	$62,709,790

Project Information:

Name:	**Fruitvale Transit Village Phase IIB**
Project Address:	3511 E 12th St
Project City, County, Zip Code:	Oakland, Alameda, 94601

Project Sponsor Information:

Name:	3511 East 12th Street LP (Fruitvale Phase IIB LLC)
Principals:	Cynthia Parker, Rebecca Hblasko, Kim McKay, Susan Johnson, Smitha Seshadri, Chris Iglesias, and Erin Patch for Fruitvale IIB LLC
Property Management Company:	BRIDGE Property Management Company

Project Financing Information:

Bond Counsel:	Quint & Thimmig LLP
Private Placement Purchaser:	JPMorgan Chase Bank, N.A. & California Community Reinvestment
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:	181
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Family

Fruitvale Transit Village Phase IIB is a new construction project located in Oakland, CA 1.25-acre site. The project consists of 169 restricted rental units, 10 market rate units and 2 unrestricted managers' units. The project will have 28 studio units, 70 one-bedroom units, 55 two-bedroom units and 28 three-bedroom units. One building will be 4 stories and Type V construction while the other building will be 5 stories and Type III construction. Exterior types include stucco and cement panel, and cement lap siding. Common amenities include a 7,000 square foot commercial tenant space for a local nonprofit, leasing/management areas, social worker offices, two community rooms, bike storage, and multiple laundry rooms. There are 110 parking spaces provided. The project is GreenPoint rated Gold and provides solar thermal panels on the roof. The construction is expected to begin March 2021 and be completed in March 2023.

Agenda Item No. 7.33
Application No. 20-692

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 94%

42% (75 units) restricted to 50% or less of area median income households.
53% (94 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 1, 2 & 3 bedro

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:	$	129,259,095		
Estimated Hard Costs per Unit:	$	441,558	($79,922,055	/181 units including mgr. units)
Estimated per Unit Cost:	$	714,139	($129,259,095	/181 units including mgr. units)
Allocation per Unit:	$	346,463	($62,709,790	/181 units including mgr. units)
Allocation per Restricted Rental Unit:	$	371,064	($62,709,790	/169 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	62,709,790	$	9,994,000
Tranche B Financing	$	0	$	13,522,000
Taxable Bond Proceeds	$	20,911,035	$	0
LIH Tax Credit Equity	$	4,128,892	$	42,836,920
Deferred Developer Fee	$	0	$	1,500,000
HCD AHSC Loan	$	0	$	20,000,000
HCD TOD Loan	$	0	$	5,000,000
of Oakland - Capitalized Ground Rent Payment Loan	$	8,100,000	$	8,100,000
City of Oakland Increment Loan	$	4,350,000	$	4,350,000
City of Oakland Loan	$	5,229,000	$	5,229,000
Alameda County A1 Loan	$	16,227,175	$	16,227,175
Sponsor Loan - TOD Grant	$	2,500,000	$	2,500,000
Total Sources	$	124,155,892	$	129,259,095

Uses of Funds:		
Land Cost/Acquisition	$	8,193,536
New Construction	$	85,862,904
Contractor Overhead & Profit	$	2,522,354
Architectural Fees	$	3,086,672
Survey and Engineering	$	379,795
Construction Interest and Fees	$	10,288,489
Permanent Financing	$	270,160
Legal Fees	$	185,040
Reserves	$	1,698,420
Appraisal	$	15,000
Hard Cost Contingency	$	5,089,304
Local Development Impact Fees	$	1,557,141
Other Project Costs (Soft Costs, Marketing, etc.)	$	6,610,280
Developer Costs	$	3,500,000
Total Uses	$	129,259,095

Agenda Item No. 7.33
Application No. 20-692

Analyst Comments:

This project is considered a high cost per unit project. The total cost per unit of Fruitvale Transit Village Phase IIB is $714,139 per unit. High per unit costs are attributed to increased costs of labor, high cost of construction materials, and local permit fees. Conflating the San Francisco Bay Area's high demand for construction trades, the project is subject to State Prevailing Wage Rates, a Project Labor Agreement with the Building and Construction Trades Council of Alameda County, and local hire requirements. These requirements are a condition of Alameda County A1 Bond funds, limiting the pool of subcontractors that may bid on the job and consequently increasing total hard costs by approximately 10%. Fruitvale Transit Village Phase IIB consists of two buildings separated by a resident-serving courtyard over underground parking. The first building is a Type V wood-framed structure over one floor of Type I concrete. The second building, comprising approximately half of all units, is a Type III wood-framed structure, requiring fire-treated lumber, and a higher overall cost compared to Type V construction. In addition, the cost of lumber has increased significantly over the past several months, increasing over 60% from the beginning of the year, presumably due to COVID-19 restrictions on production and supply chain. This has added to the high per unit cost of the project. The project also includes subterranean parking with a resident-serving courtyard on the podium deck. The use of concrete for the underground structure, the podium deck, and the Type I portion of the first building, include sizable costs to the overall project. In addition to the above impacts to direct costs, the City of Oakland is charging approximately $3,000,000 in permit plan check and impact fees. These fees add to the high per-unit cost that may not factor in to projects in other jurisdictions. Fruitvale Transit Village Phase IIB is an important project for Oakland's Fruitvale community, facing the challenge of uncertain construction costs and market conditions during a global pandemic. Many of these costs are attributed to factors that are good for the community, including usable spaces, durable construction materials, and good paying jobs for the workers building it.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $62,709,790 in tax-exempt bond allocation on a carryforward basis.

Agenda Item No. 7.33
Application No. 20-692

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	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**	**125.00**

Agenda Item No. 7.34
Application No. 20-733

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: Isaac Clark III

Applicant: **California Housing Finance Agency**

Allocation Amount Requested:

Tax-exempt:	$29,500,000

Project Information:

Name:	**Residency at the Mayer Hollywood**
Project Address:	5500 Hollywood Blvd.
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90028

Project Sponsor Information:

Name:	Residency at the Mayer, LP (ABS Properties, Inc. / Kingdom
Principals:	Samir Srivasta, President CEO for Kingdom Development, Inc. / William Leach, President CEO for Boston Financial
Property Management Company:	Genessy Management and Development, LLC

Project Financing Information:

Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Walker and Dunlop
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	AAA

Description of Proposed Project:

State Ceiling Pool:	General
Total Number of Units:	79
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Senior Citizens

Residency at the Mayer Hollywood is a new construction project located in Los Angeles on a 0.29-acre site. The project consists of 39 restricted rental units, 39 market rate units and 1 unrestricted manager unit. The project will have 79 studio units. The rehabilitation of the Mayer building will be comprised of Seismic upgrade while adhering to the standards of Historic Preservation that apply to the Structure. Additional renovations will be comprised of upgrades of the building systems including fire, life and safety, upgrade of elevators and all mechanical systems, plumbing and electrical systems, new green roof and renewable energy systems for residential units and common areas (Solar). The construction is expected to begin March 2021 and be completed in December 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 50%

50% (39 units) restricted to 50% or less of area median income households.

Unit Mix: Studio

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:	$	66,964,328	
Estimated Hard Costs per Unit:	$	147,878	($11,682,367 /79 units including mgr. unit)
Estimated per Unit Cost:	$	847,650	($66,964,328 /79 units including mgr. unit)
Allocation per Unit:	$	373,418	($29,500,000 /79 units including mgr. unit)
Allocation per Restricted Rental Unit:	$	756,410	($29,500,000 /39 restricted unit)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 29,500,000	$ 19,875,000
Taxable Bond Proceeds	$ 11,650,450	$ 9,650,450
LIH Tax Credit Equity	$ 0	$ 18,592,403
Deferred Developer Fee	$ 4,201,727	$ 4,201,727
Costs Deferred Until Conversion	$ 3,248,923	$ 0
Seller Carryback Loan	$ 14,644,748	$ 14,644,748
Boston Financial (Tax Cr. Equity)	$ 3,718,480	$ 0
Total Sources	$ 66,964,328	$ 66,964,328

Uses of Funds:	
Land Cost/Acquisition	$ 38,057,352
New Construction	$ 10,884,127
Contractor Overhead & Profit	$ 798,240
Architectural Fees	$ 650,000
Survey and Engineering	$ 145,000
Construction Interest and Fees	$ 4,784,001
Permanent Financing	$ 424,296
Legal Fees	$ 230,000
Reserves	$ 315,654
Appraisal	$ 37,500
Hard Cost Contingency	$ 1,500,000
Other Project Costs	$ 2,271,431
Developer Costs	$ 6,701,727
Total Uses	$ 66,964,328

Analyst Comments:

This project is considered a high cost per unit project. This high cost is due in part to labor costs driven by prevailing wages. Additionally, this proposed project is an adaptive reuse of an existing Historical Resource, major costs attributed to Seismic Upgrades and preservation of Historic resources are required to achieve a change of use from Commercial to Residential Use while maintaining the buildings integrity and historical relevance. Continued escalation in construction prices (specifically related to labor costs in Renovation/Rehab) are also a major driver of the costs. Other factors include high holding/capital costs for the Project related to keeping the commercial building vacant during the financing and predevelopment stages.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $29,500,000 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	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	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
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**	**125**

Agenda Item No. 7.35
Application No. 20-709

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:	**City and County of San Francisco**
Allocation Amount Requested:	
Tax-exempt:	$51,340,687
Project Information:	
Name:	**4840 Mission**
Project Address:	4840 Mission St
Project City, County, Zip Code:	San Francisco, San Francisco, 94112
Project Sponsor Information:	
Name:	4840 Mission Housing Associates LP (4840 Mission Housing LLC and BRIDGE Housing Corp. and TBD)
Principals:	Smitha Seshadri, Susan Johnson, Cynthia Parker, and Becky Hblasko for 4840 Mission Housing LLC and BRIDGE Housing Corp.; Brad Wiblin and Delphine Sherman for BRIDGE Housing Corp.
Property Management Company:	BRIDGE Property Management Company
Project Financing Information:	
Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	Bank of America, 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:	137
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Family

4840 Mission Apartments is a new construction project located in San Francisco, CA on a 1.48-acre site. The project consists of 103 restricted rental units, 32 market rate units and 2 unrestricted managers' units. The project will have 58 one-bedroom units, 63 two- bedroom units and 16 three-bedroom units. The building will be 5 stories and the construction is Type III/I. The building will be constructed on a mat slab foundation supported by a soils improvement design that incorporates drilled displacement columns. The exterior cladding includes a mix of stucco and fiber cement siding, aluminum siding, and board-formed concrete. Common amenities include ground floor leasing and management offices, community room, resident services offices, 137 indoor bike parking spaces, laundry facilities, and a landscaped interior courtyard with play equipment for children. There are 39 parking spaces provided. The design and construction will integrate green building stretegies using the Green Point Rated Multifamily Program. The construction is expected to begin March 2021 and be completed in December 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 76%

76% (103 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:	$	99,542,340	
Estimated Hard Costs per Unit:	$	498,100	($68,239,700 /137 units including mgr. units)
Estimated per Unit Cost:	$	726,586	($99,542,340 /137 units including mgr. units)
Allocation per Unit:	$	374,750	($51,340,687 /137 units including mgr. units)
Allocation per Restricted Rental Unit:	$	498,453	($51,340,687 /103 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 51,340,687	$ 27,687,000
Taxable Bond Proceeds	$ 6,472,827	$ 0
LIH Tax Credit Equity	$ 0	$ 36,558,947
Deferred Developer Fee	$ 2,120,618	$ 2,120,618
Deferred Costs	$ 2,955,638	$ 0
SF Office of Housing and Com.	$ 33,625,775	$ 33,625,775
LP Equity During Construction	$ 3,476,795	$ 0
Total Sources	$ 99,992,340	$ 99,992,340

Uses of Funds:	
New Construction	$ 73,962,184
Contractor Overhead & Profit	$ 2,488,014
Architectural Fees	$ 2,474,347
Survey and Engineering	$ 879,036
Construction Interest and Fees	$ 6,027,086
Permanent Financing	$ 267,653
Legal Fees	$ 375,280
Reserves	$ 731,969
Appraisal	$ 12,000
Hard Cost Contingency	$ 4,780,623
Other Project Costs	$ 2,553,530
Developer Costs	$ 4,990,618
Total Uses	$ 99,542,340

Analyst Comments:

The total cost per unit of 4840 Mission is $729,871. High per unit costs are attributed to site conditions, the project's urban in-fill location, and the high cost of construction labor and materials through the Bay Area region. Conflating the San Francisco Bay Area's high demand for construction trades, the project is subject to Prevailing Wage Rates, and local hire requirements. These requirements limit the pool of subcontractors that may bid on the job and consequently increasing total hard costs by 20% or more compared to non-prevailing wage jobs. 4840 mission consists of a single building to be constructed on a site with an approximate 9-foot slope from east to west. To respond to this condition, there is a semi-subterranean parking structure tucked into the site's slope, with an automobile entrance on Alemany Boulevard. The project is required to incorporate a Vapor Intrusion Mitigation System to mitigate for detected PCE levels in the soil; this requires the project incorporate both a "bathtub-like" water-proofing and vapor intrusion membrane on the building's foundation and incorporate a passive venting system that can be monitored during construction. This is a costly system that has added approximately $1 million to the project budget. The site's location also has liquefiable soil conditions, requires a soil improvement program that includes drilled displacement columns to support the building's foundation. In addition, the cost of lumber has increased significantly over the past several months, increasing over 60% from the beginning of the year, presumably due to COVID-19 restrictions on production and supply chain. This has added to the high per unit cost of the project.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $0,000 in tax-exempt bond allocation on a carryforward basis.

Agenda Item No. 7.35
Application No. 20-709

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	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**	**125.00**

Agenda Item No. 7.36
Application No. 20-737

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: **City and County of San Francisco**

Allocation Amount Requested:

Tax-exempt: $62,500,000

Project Information:

Name: **Balboa Park Upper Yard**
Project Address: 2340 San Jose Avenue
Project City, County, Zip Code: San Francisco, San Francisco, 94112

Project Sponsor Information:

Name: Balboa Park Housing Partners, L.P. (Colosimo Apartments, Inc. /
Principals: Joshua Arce and Sam Moss for Colosimo Apartments, Inc.; William A. Witte, Frank Cardone, Ann Silverberg, and Steven D. Sherman for Balboa Development Co., LLC
Property Management Company: Caritas Management Corporation

Project Financing Information:

Bond Counsel: Norton Rose Fulbright US 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: General New Construction Pool
Total Number of Units: 131
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Balboa Park Upper Yard is a new construction project located in San Francisco, CA 0.71-acre site. The project consists of 113 restricted rental units, 17 market rate units and 1 unrestricted manager's unis. The project will have 6 studio units, 47 one-bedroom units, 62 two-bedroom units, and 16 three-bedroom units. The building will be 9 stories and Type-I concrete construction. Common amenities include an ample office space for onsite service providers, a courtyard, indoor community multipurpose room, teen center, laundry facilities, and learning center. Each unit will have Energy Star rated appliances including dishwashers, and refrigerators. Green features include energy efficient lighting and windows. The construction is expected to begin January 2021 and be completed in September 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 87%

63% (82 units) restricted to 50% or less of area median income households.

24% (31 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:	$ 120,639,509	
Estimated Hard Costs per Unit:	$ 606,934	($79,508,320 /131 units including mgr. units)
Estimated per Unit Cost:	$ 920,912	($120,639,509 /131 units including mgr. units)
Allocation per Unit:	$ 477,099	($62,500,000 /131 units including mgr. units)
Allocation per Restricted Rental Unit:	$ 553,097	($62,500,000 /113 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 62,500,000	$ 9,838,000
Tranche B Financing	$ 0	$ 11,690,000
Taxable Bond Proceeds	$ 17,889,123	$ 0
LIH Tax Credit Equity	$ 4,521,779	$ 45,217,787
Deferred Developer Fee	$ 2,400,000	$ 0
Deferred Costs	$ 784,885	$ 1,350,000
General Partner Equity	$ 2,050,000	$ 2,050,000
San Francisco MOHCD RR Loan	$ 30,493,722	$ 30,493,722
HCD AHSC Loan	$ 0	$ 20,000,000
Total Sources	$ 120,639,509	$ 120,639,509

Uses of Funds:	
Land Cost/Acquisition	$ 20,000
New Construction	$ 89,561,748
Contractor Overhead & Profit	$ 2,905,424
Architectural Fees	$ 4,402,500
Construction Interest and Fees	$ 8,357,782
Permanent Financing	$ 50,000
Legal Fees	$ 375,000
Reserves	$ 1,212,395
Appraisal	$ 10,000
Hard Cost Contingency	$ 5,568,648
Other Project Costs (Soft Costs, Marketing, etc.)	$ 2,676,012
Developer Costs	$ 5,500,000
Total Uses	$ 120,639,509

Analyst Comments:

The project is located in an area that is a DDA in 2019, but has lost its DDA status in 2020 and applied for bond allocation on December 11, 2019 to preserve the DDA eligibility. The loss of the DDA status would result in a roughly $10 million reduction in limited partner equity contribution to the project. The total per unit construction cost of Balboa Park is currently estimated at $927,996 (excluding the manager unit), or $685 per square foot. A construction boom is continuing within the Bay Area, with escalation costs as much as 10-12% annually in some of the past years. Given the number of projects currently under construction, we anticipate a limited availability of subcontractors and, as a result, continuing to see higher subcontractor and contractor pricing. The requirement to pay prevailing wages results in substantially higher construction cost than for non-prevailing wage jobs. To increase the eligible basis in the project the sponsor has increased the developer fee in the budget by $2,050,000 million. In addition, if the project's phased costs was to be split into two phases, costs would be increase. In addition, given the unique shape and slope of the site, two phases would further complicate the foundation design and the number of micropiles would increase. The seismic joint required for two buildings that need to be structurally independent would also be much larger and complicated than what can be achieved in a single building. The project is currently at 50% construction drawings and is anticipated to submit for building permits in January 2020. If the project was to be phased there would be significant design costs and timing delays. Beyond the cost of duplicative systems, the construction costs would be substantially higher for a building constructed in 2 phases. The reduced economies of scale, mobilization costs and general conditions associated with a 2-phase project would be significant.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $62,500,000 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	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**	**125.00**

Agenda Item No. 7.37
Application No. 20-670

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: Norma Velarde

Applicant:	**Housing Authority of the City of Los Angeles**

Allocation Amount Requested:

Tax-exempt:	$31,843,632

Project Information:

Name:	**Rose Hill Courts Phase I**
Project Address:	4466 Florizel Street
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90032

Project Sponsor Information:

Name:	Rose Hill Courts I Housing Partners, L.P. (Related/Rose Hill Courts
Principals:	Franke Cardone (President/Secretary); William A. Witte (Vice President); Steven D. Sherman (Treasurer); Tina Booth (President); Lisette Belon (Secretary); Pat Kataura (Treasurer)
Property Management Company:	Related Management Company

Project Financing Information:

Bond Counsel:	Kutak Rock LLP
Private Placement Purchaser:	MUFG Union Bank, 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 P
Total Number of Units:	89
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family

Rose Hill Courts Phase I Apartments is a new construction project located in Los Angeles on a 1.79 -acre site. The project consists of 52 restricted rental units, 36 market rate units and 1 unrestricted managers' units. The project will have 51 one-bedroom units, 26 two- bedroom units, 8 three-bedroom units and 4 four-bedroom units. The building will be two total. Common amenities include large community room, management offices and social service office. Each unit will have window coverings, decks, energy efficient windows, storage cabinets, countertops, central air/heat, and refrigerators, range and dishwashers. There are 56 parking spaces provided. The project will be pursuing GreenPoint Rated Program. Green features include exceeding energy efficiency oif thre 2016 California Energy Code, use of drought-tolerant plants, high-efficiency toilets and showerheads, weather-based irrigation and high efficiency interior and exterior lighting. The construction is expected to begin April 2021 and be completed in May 2023.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 59%

49% (43 units) restricted to 50% or less of area median income households.

10% (9 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:	$	62,220,603	
Estimated Hard Costs per Unit:	$	182,440	($16,237,141 /89 units including mgr. units)
Estimated per Unit Cost:	$	699,108	($62,220,603 /89 units including mgr. units)
Allocation per Unit:	$	357,794	($31,843,632 /89 units including mgr. units)
Allocation per Restricted Rental Unit:	$	612,378	($31,843,632 /52 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 31,843,632	$ 0
Cash Flow Permanent Bonds	$ 0	$ 0
Tranche B Financing	$ 0	$ 0
Taxable Bond Proceeds	$ 3,822,804	$ 14,057,000
LIH Tax Credit Equity	$ 1,389,430	$ 13,894,303
Developer Equity	$ 2,000,000	$ 2,000,000
Deferred Developer Fee	$ 2,400,000	$ 1,300,000
Deferred Costs	$ 0	$ 0
Seller Carryback Loan	$ 0	$ 0
Itemized Public Funds Sources	$ 0	$ 0
Net Income From Operations	$ 0	$ 0
HACLA Acquisition Loan/Seller Carryback	$ 7,100,000	$ 7,100,000
HACLA RR Gap Loan	$ 8,350,000	$ 8,350,000
HCD - IIG	$ 3,519,300	$ 3,519,300
Total Sources	$ 60,425,166	$ 50,220,603

Uses of Funds:	
Land Cost/Acquisition	$ 9,077,108
Rehabilitation	$ 0
Relocation	$ 0
New Construction	$ 28,429,609
Contractor Overhead & Profit	$ 2,376,939
Architectural Fees	$ 3,122,595
Survey and Engineering	$ 722,614
Construction Interest and Fees	$ 2,711,000
Permanent Financing	$ 191,000
Legal Fees	$ 852,500
Reserves	$ 1,795,436
Appraisal	$ 10,000
Hard Cost Contingency	$ 3,778,122
Local Development Impact Fees	$ 481,029
Other Project Costs (Soft Costs, Marketing, etc.)	$ 3,172,651
Developer Costs	$ 5,500,000
Total Uses	$ 62,220,603

Analyst Comments:

This project is considered a high cost per unit project at $699,108 as it is a new construction project and additional consultant work is needed. The existing buildings are historic and in order to be demolished, an EIR/EIS is necessary to pursue a new construction approach. The consultant and legal costs associated with an EIR/EIS and SHPO approval are in excess of $1 million. Additional consultants to monitor construction, such as a biologist, archaeologist, paleontologist, tribal monitor, traffic consultant and a noise consultant are required and add over $300,000 in additional fees. The existing buildings house current tenants and due to the length of the construction period, the residents must be permanently relocated off-site.

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:

125 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $31,843,632 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	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	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**	**125.00**

Agenda Item No. 7.38
Application No. 20-721

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:	**City of Los Angeles**
Allocation Amount Requested:	
Tax-exempt:	$13,398,178
Project Information:	
Name:	**La Guadalupe**
Project Address:	110 South Boyle Street, Los Angeles, CA
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90033
Project Sponsor Information:	
Name:	110 SOUTH BOYLE, L.P. (110 SOUTH BOYLE AGP LLC / 110 SOUTH BOYLE MGP LLC / Many Mansions)
Principals:	Rick Schroeder for 110 South Boyle MGP LLC and Many Mansions; Vanessa Delgado for 110 South Boyle AGP LLC
Property Management Company:	Many Mansions, a California nonprofit public benefit corporation
Project Financing Information:	
Bond Counsel:	Kutak Rock LLP
Private Placement Purchaser:	MUFG Union Bank, 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:	44
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

La Guadalupe is a new construction project located in Los Angeles, CA on a 0.35-acre site. The project consists of 43 restricted rental units and 1 unrestricted manager's unit. The project will have 19 single room units, 19 one-bedroom units, and 6 two-bedroom units. The building will be 5 stories. Common amenities include 38 bike parking spaces, viewing decks, a central courtyard, on-site laundry, a community room, and offices for property management and supportive services. Each unit will include full bath, kitchen, air conditioning, refrigerator, range, microwave, and window coverings. There are 24 parking spaces provided. The construction is expected to begin July 2021 and be completed in April 2023.

Agenda Item No. 7.38
Application No. 20-721

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (43 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:	$	25,989,899	
Estimated Hard Costs per Unit:	$	342,163	($15,055,152 /44 units including mgr. units)
Estimated per Unit Cost:	$	590,680	($25,989,899 /44 units including mgr. units)
Allocation per Unit:	$	304,504	($13,398,178 /44 units including mgr. units)
Allocation per Restricted Rental Unit:	$	311,586	($13,398,178 /43 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 13,398,178	$ 2,760,000
LIH Tax Credit Equity	$ 0	$ 9,074,825
Developer Equity	$ 450,000	$ 0
Deferred Developer Fee	$ 519,478	$ 519,477
Deferred Costs	$ 1,396,964	$ 110,000
General Partner - Capital Contribution	$ 0	$ 429,797
HCID - HHH	$ 9,460,000	$ 9,460,000
Limited Partner - Capital Contributions	$ 765,279	$ 0
MHP	$ 0	$ 3,635,800
Total Sources	$ 25,989,899	$ 25,989,899

Uses of Funds:	
Land Cost/Acquisition	$ 28,089
New Construction	$ 17,022,455
Contractor Overhead & Profit	$ 517,174
Architectural Fees	$ 463,085
Survey and Engineering	$ 163,853
Construction Interest and Fees	$ 1,770,289
Permanent Financing	$ 60,700
Legal Fees	$ 114,634
Reserves	$ 348,699
Appraisal	$ 7,650
Hard Cost Contingency	$ 1,134,035
Local Development Impact Fees	$ 93,630
Other Project Costs (Soft Costs, Marketing, etc.)	$ 1,335,809
Developer Costs	$ 2,929,797
Total Uses	$ 25,989,899

Analyst Comments:

La Guadalupe's price per unit is at $594,270. This development is an infill site with a ground level commercial/retail component. The residential parking is subterranean, in order to meet the parking goals of the project's multiple components. Additionally, the site will require some remediation of soil contaminates which contributes to increased costs. Furthermore, the construction industry has been incredibly volatile throughout the last few years and due to the political landscape and other factors expanding from this such as tariffs, construction pricing has been rising exponentially. This has made projecting hard costs for developments especially difficult. We have seen upwards of 20% increases in construction costs from schematic design stages to later construction documents.

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:

124 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $13,398,178 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	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	9.00
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**	**124.00**

Agenda Item No. 7.39
Application No. 20-665

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: Ken Otrotsyuk

Applicant:	**California Municipal Finance Authority**
Allocation Amount Requested:	
Tax-exempt:	$41,000,000
Project Information:	
Name:	**Terracina at Lancaster**
Project Address:	1752 E. Ave. J4
Project City, County, Zip Code:	Lancaster, Los Angeles, 93065
Project Sponsor Information:	
Name:	Lancaster 690, L.P. (USA Lancaster 690, Inc. & Riverside Charitable Corporation)
Principals:	Geoffrey C. Brown, Jonathan C. Harmer, Darren Bobrowsky, Valerie Silva, Jori Henry for USA Lancaster 690, Inc.; Kenneth Robertson, Craig Gillette, Stewart Hall, Trish Hockings, Penny LaRue, Xochiti Olivas for Riverside Charitable Corporation.
Property Management Company:	USA Multifamily Management, Inc.
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:	264
Manager's Units:	4 Unrestricted
Type:	New Construction
Population Served:	Family

Terracina at Lancaster is a new construction project located in Lancaster on a 11.35-acre site. The project consists of 260 restricted rental units, 0 market rate units and 4 unrestricted managers' units. The project will have 84 one-bedroom units, 90 two- bedroom units, 66 three-bedroom units and 24 four-bedroom units. The 11 buildings will be 3 of stories and type VA wood frame construction with Post Tension Slab and each building will include 24 residential units. Common amenities includea tot lot play area with shade structure, picnic and barbecue areas with shade structures, an outdoor pool, sports courts with items such as basketball hoop with back wall, 4 square, hopscotch, tether ball, laundry facilities and club house with a large club room to be used for parties, media viewing, games and classes that includes a hospitality kitchen, resident computer area, and an after school resource room. Each unit will have a refrigerator/freezer, self-cleaning range/oven, heat pumps/AC, exterior venting hood fan, ceiling fans, window covering, dishwasher, private storage closet, balcony, easy-care vinyl plank flooring and hard surface countertops in kitchen and bathrooms. There are 533 parking spaces provided. Green features include a solar PV, recycled material insulation, mechanical ventilation for improved air quality, energy efficient interior and exterior lighting fixtures, water saving and low-flow devices in kitchens and baths, all Energy Star Rated appliances, engineered storm water management filtering system, water efficient landscape and irrigation design. The construction is expected to begin April 2021 and be completed in October 2023.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

30% (78 units) restricted to 50% or less of area median income households.

70% (182 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:	$	80,056,764	
Estimated Hard Costs per Unit:	$	154,183	($40,704,282 /264 units including mgr. units)
Estimated per Unit Cost:	$	303,245	($80,056,764 /264 units including mgr. units)
Allocation per Unit:	$	155,303	($41,000,000 /264 units including mgr. units)
Allocation per Restricted Rental Unit:	$	157,692	($41,000,000 /260 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 41,000,000	$ 41,000,000
Taxable Bond Proceeds	$ 8,000,000	$ 8,000,000
LIH Tax Credit Equity	$ 21,382,251	$ 26,312,218
Deferred Costs	$ 9,674,513	$ 0
Itemized Public Funds Sources	$ 0	$ 4,642,000
Net Income From Operations	$ 0	$ 102,546
Total Sources	$ 80,056,764	$ 80,056,764

Uses of Funds:	
Land Cost/Acquisition	$ 3,177,785
Rehabilitation	$ 0
Relocation	$ 0
New Construction	$ 43,959,072
Contractor Overhead & Profit	$ 3,493,076
Architectural Fees	$ 1,033,000
Survey and Engineering	$ 619,518
Construction Interest and Fees	$ 3,727,892
Permanent Financing	$ 2,847,512
Legal Fees	$ 0
Reserves	$ 932,968
Appraisal	$ 5,200
Hard Cost Contingency	$ 3,276,155
Local Development Impact Fees	$ 6,084,424
Other Project Costs (Soft Costs, Marketing, etc.)	$ 2,158,617
Developer Costs	$ 8,741,545
Total Uses	$ 80,056,764

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:

121.30 out of 145 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $41,000,000 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]	5.60
Large Family Units	5	5	5.00
Gross Rents	5	5	5.00
Leveraging	10	10	5.70
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**	**121.30**

Agenda Item No. 7.40
Application No. 20-712

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:	**Housing Authority of the City of Sacramento**
Allocation Amount Requested:	
Tax-exempt:	$21,500,000
Project Information:	
Name:	**Northlake Senior Apartments**
Project Address:	SE Corner Hammock Ave. & Littlestone St.
Project City, County, Zip Code:	Sacramento, Sacramento, 95835
Project Sponsor Information:	
Name:	Northlake Senior Affordable, LP (St. Anton Natomas Senior Affordable, LLC / PacH Anton South Holdings, LLC / RBC
Principals:	Peter H. Geremia for St. Anton Natomas Senior Affordable, LLC; Mark A. Wiese for PacH Anton South Holdings, LLC; Stacie Altmann for RBC Community Investments, LLC
Property Management Company:	St. Anton Multifamily, Inc.
Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
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:	191
Manager's Units:	2 Restricted
Type:	New Construction
Population Served:	Senior Citizens

Northlake Senior Affordable Apartments is a new construction project located in Sacramento, CA a 7.54-acre site. The project consists of 191 restricted rental units, including 2 restricted managers' units. The project will have 155 one-bedroom units and 36 two- bedroom units. The project consists of 6 one-story and 10 two-story buildings of 7 different types, as well as one single-story community building. The residential buildings will be wood-framed type V construction with stucco exteriors and concrete tile roofing. Common amenities include a leasing office, community room, communal kitchen, business center, fitness center, mail center, laundry room, swimming pool, sundeck, community garden, dog park, picnic areas, and zen zones. Each unit will have a washer and dryer, patio or balcony, window coverings, fully equipped kitchens, dishwasher, refrigerator, self-cleaning oven range, garbage disposal, and mirrored medicine cabinets. There are 206 parking spaces provided. The construction is expected to begin January 2021 and be completed in July 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

30% (58 units) restricted to 50% or less of area median income households.

70% (133 units) restricted to 60% or less of area median income households.

Unit Mix: 1 & 2 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:	$	38,193,382	
Estimated Hard Costs per Unit:	$	108,753	($20,771,905 /191 units including mgr. units)
Estimated per Unit Cost:	$	199,965	($38,193,382 /191 units including mgr. units)
Allocation per Unit:	$	112,565	($21,500,000 /191 units including mgr. units)
Allocation per Restricted Rental Unit:	$	112,565	($21,500,000 /191 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	21,500,000	$	20,500,000
Taxable Bond Proceeds	$	9,050,000	$	0
LIH Tax Credit Equity	$	1,400,000	$	14,093,763
Deferred Developer Fee	$	0	$	1,459,619
Deferred Costs	$	0	$	140,000
MGP Subordinate Loan (Taxable)	$	2,000,000	$	2,000,000
Total Sources	$	33,950,000	$	38,193,382

Uses of Funds:		
Land Cost/Acquisition	$	2,500,000
Relocation	$	-1
New Construction	$	22,169,807
Contractor Overhead & Profit	$	1,246,314
Architectural Fees	$	124,150
Survey and Engineering	$	390,823
Construction Interest and Fees	$	895,813
Permanent Financing	$	1,530,694
Legal Fees	$	185,000
Reserves	$	466,461
Appraisal	$	8,500
Hard Cost Contingency	$	1,344,936
Local Development Impact Fees	$	1,751,029
Other Project Costs (Soft Costs, Marketing, etc.)	$	2,079,856
Developer Costs	$	3,500,000
Total Uses	$	38,193,382

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 $21,500,000 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**

Agenda Item No. 7.41
Application No. 20-671

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 Public Finance Authority**
Allocation Amount Requested:	
Tax-exempt:	$10,170,000
Project Information:	
Name:	**Bidwell Place Apartments**
Project Address:	403 E. Bidwell Street
Project City, County, Zip Code:	Folsom, Sacramento, 95630
Project Sponsor Information:	
Name:	Bidwell Place, LP (St. Anton Bidwell Place, LLC / PacH Anton South
Principals:	Peter H. Geremia for St. Anton Bidwell Place, LLC; Mark A. Wiese for PacH Anton South Holdings, LLC; Robert A. Reinhardt for Bank of America, N.A.
Property Management Company:	St. Anton Multifamily, Inc.
Project Financing Information:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Bank of America, 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:	1 Unrestricted
Type:	New Construction
Population Served:	Family

Bidwell Place Apartments is a new construction project located in Folsom, CA 2.09-acre site. The project consists of 74 restricted rental units and 1 unrestricted manager's unit. The project will have 9 studio units, 39 one-bedroom units, and 27 two-bedroom units. The building will be a 3 story wood-framed building. Common amenities include a leasing office, fully equipped communal kitchen, business center, fitness center, community room, swimming pool, sun deck, tot lot, garden landscaping, and bike racks. Each unit will have a washer and dryer, laundry room access, patio or balcony, fully equipped kitchen, dishwasher, refrigerator, self-cleaning oven range, microwave, garbage disposal, and mirrored medicine cabinets. There are 120 parking spaces provided. The construction is expected to begin January 2021 and be completed in July 2022.

Agenda Item No. 7.41
Application No. 20-671

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

31% (23 units) restricted to 50% or less of area median income households.
69% (51 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 1 & 2 bedroor

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:	$	17,781,839	
Estimated Hard Costs per Unit:	$	195,176	($14,638,190 /75 units including mgr. units)
Estimated per Unit Cost:	$	237,091	($17,781,839 /75 units including mgr. units)
Allocation per Unit:	$	135,600	($10,170,000 /75 units including mgr. units)
Allocation per Restricted Rental Unit:	$	137,432	($10,170,000 /74 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 10,170,000	$ 6,960,000
LIH Tax Credit Equity	$ 0	$ 5,758,912
Deferred Developer Fee	$ 0	$ 551,530
Deferred Costs	$ 0	$ 249,000
Net Income From Operations	$ 0	$ 1
City of Folsom	$ 4,150,000	$ 4,150,000
Bank of America, N.A.	$ 1,091,007	$ 0
Pre-Conversion NOI	$ 0	$ 112,396
Total Sources	$ 15,411,007	$ 17,781,839

Uses of Funds:	
Land Cost/Acquisition	$ 2,369,700
New Construction	$ 8,568,663
Contractor Overhead & Profit	$ 556,962
Architectural Fees	$ 202,500
Survey and Engineering	$ 262,608
Construction Interest and Fees	$ 305,287
Permanent Financing	$ 430,584
Legal Fees	$ 180,000
Reserves	$ 176,459
Hard Cost Contingency	$ 568,959
Local Development Impact Fees	$ 1,753,474
Other Project Costs (Soft Costs, Marketing, etc.)	$ 686,643
Developer Costs	$ 1,720,000
Total Uses	$ 17,781,839

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 $10,170,000 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**

Agenda Item No. 7.42
Application No. 20-735

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: Isaac Clark III

Applicant:	**Housing Authority of the City of San Diego**
Allocation Amount Requested:	
Tax-exempt:	$12,150,000
Project Information:	
Name:	**2139 El Cajon Blvd**
Project Address:	2139 El Cajon Blvd
Project City, County, Zip Code:	San Diego, San Diego, 92104
Project Sponsor Information:	
Name:	Trestle Mississippi, LP (Trestle Mississippi, LLC/National
Principals:	David Allen and Robert Morgan Sole Managers for Trestle Mississippi, LLC/Stephen Margetic, CEO for National Housing MGP LLC
Property Management Company:	Hyder and Company
Project Financing Information:	
Bond Counsel:	Kutak Rock LLP
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
Total Number of Units:	61
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family

El Cajon Blvd is a new construction project located in San Diego and sits on a 10,674 square foot urban lot. The project consists of 54 restricted rental units, 6 market rate units and 1 unrestricted manager unit. The project will have 24 studio units, 25 one-bedroom units and 12 two- bedroom units. The building will consists of 5 levels of Type III-A wood framing over 1 level Type I concrete podium, with a gross area of 51,200 SF. Exterior renovations will consist of decorative masonry block, concrete and glazing on the ground floor with a mix of stucco and panel siding on the upper floors. Resident-serving common spaces will include a community room with a full kitchen, seating and television area; laundry room; outdoor courtyard with seating; two common balconies, one with a gas grill; and a meeting room that will be used for resident services. The construction is expected to begin February 2021 and be completed in June 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 90%

90% (54 units) restricted to 50% or less of area median income households.

Unit Mix: Studio, 1 & 2 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:	$ 22,838,857		
Estimated Hard Costs per Unit:	$ 202,884	($12,375,898	/61 units including mgr. unit)
Estimated per Unit Cost:	$ 374,407	($22,838,857	/61 units including mgr. unit)
Allocation per Unit:	$ 199,180	($12,150,000	/61 units including mgr. unit)
Allocation per Restricted Rental Unit:	$ 225,000	($12,150,000	/54 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$ 12,150,000	$ 2,580,000
Taxable Bond Proceeds	$ 0	$ 4,250,000
LIH Tax Credit Equity	$ 505,129	$ 5,501,290
Income from Operatons	$ 198,293	$ 198,293
Deferred Developer Fee	$ 229,274	$ 229,274
National Housing Corporation (NHC) Loan	$ 9,276,160	$ 9,600,000
Accrued Interest on NHC Loan	$ 480,000	$ 480,000
Total Sources	$ 22,838,856	$ 22,838,857

Uses of Funds:	
Land Cost/Acquisition	$ 2,180,000
New Construction	$ 11,849,573
Contractor Overhead & Profit	$ 526,325
Architectural Fees	$ 893,900
Survey and Engineering	$ 115,800
Construction Interest and Fees	$ 1,690,289
Permanent Financing	$ 25,000
Legal Fees	$ 120,000
Reserves	$ 300,000
Appraisal	$ 12,500
Hard Cost Contingency	$ 1,375,296
Other Project Costs	$ 1,497,837
Developer Costs	$ 2,252,337
Total Uses	$ 22,838,857

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 $12,150,000 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	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	0
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**	**120**

Agenda Item No. 7.43
Application No. 20-697

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 May2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (73 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: 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
Inpact fee reduction (Clovis) (public fund)	$ 0	$ 300,000
Solar Tax Credits	$ 0	$ 100,000
ward (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.

Agenda Item No. 7.43
Application No. 20-697

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**

Agenda Item No. 7.44
Application No. 20-695

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: Norma Velarde

Applicant:	**City of Los Angeles**
Allocation Amount Requested:	
Tax-exempt:	$13,549,000
Project Information:	
Name:	**11010 Santa Monica Boulevard**
Project Address:	11010 Santa Monica Boulevard
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90025
Project Sponsor Information:	
Name:	11010 SMB LP (11010 SMB LLC; VH 11010 SMB GP, LLC)
Principals:	Kevin Murray, President and CEO; Peter Barker, President of Valued Housing II
Property Management Company:	Barker Management Inc.
Project Financing Information:	
Bond Counsel:	Kutak Rock LLP
Private Placement Purchaser:	Wells Fargo Bank, 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 P
Total Number of Units:	51
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

11010 Santa Monica Boulevard Apartments is a new construction project located in Los Angeles on a 0.24 -acre site. The project consists of 50 restricted rental units and 1 unrestricted managers' units. The project will have 50 studio units. The building will be 1 total, consisting of 5 floors with wood frame construction on a one-story concrete podium. Common amenities include case management offices, management offices, a community room, and laundry rooms. There are 6 parking spaces provided. The project will be pursuing LEED Gold and LEED Green Standards. Green features include nontoxic pest control strategies, water metering, R-4 insulation for hot water pipingm, drought-resistant landscaping, and EnergyStar appliances. The construction is expected to begin May 2021 and be completed in May 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (50 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

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:	$	25,210,875	
Estimated Hard Costs per Unit:	$	254,819	($12,995,751 /51 units including mgr. units)
Estimated per Unit Cost:	$	494,331	($25,210,875 /51 units including mgr. units)
Allocation per Unit:	$	265,667	($13,549,000 /51 units including mgr. units)
Allocation per Restricted Rental Unit:	$	270,980	($13,549,000 /50 restricted units)

Sources of Funds:	Construction		Permanent	
Tax-Exempt Bond Proceeds	$	13,549,000	$	0
Cash Flow Permanent Bonds	$	0	$	0
Tranche B Financing	$	0	$	0
Taxable Bond Proceeds	$	0	$	2,012,000
LIH Tax Credit Equity	$	1,652,895	$	8,724,474
Developer Equity	$	289,401	$	289,401
Deferred Developer Fee	$	0	$	0
Deferred Costs	$	1,969,579	$	0
Seller Carryback Loan	$	0	$	0
Itemized Public Funds Sources	$	0	$	0
Net Income From Operations	$	0	$	0
HCID HHH	$	7,000,000	$	7,000,000
FHLB AHP	$	750,000	$	750,000
HCD VHHP	$	0	$	6,435,000
Total Sources	$	25,210,875	$	25,210,875

Uses of Funds:		
Land Cost/Acquisition	$	52,500
Rehabilitation	$	0
Relocation	$	0
New Construction	$	13,802,572
Contractor Overhead & Profit	$	1,171,040
Architectural Fees	$	919,300
Survey and Engineering	$	130,000
Construction Interest and Fees	$	1,902,358
Permanent Financing	$	45,090
Legal Fees	$	230,000
Reserves	$	666,704
Appraisal	$	10,000
Hard Cost Contingency	$	1,847,361
Local Development Impact Fees	$	225,219
Other Project Costs (Soft Costs, Marketing, etc.)	$	1,419,430
Developer Costs	$	2,789,301
Total Uses	$	25,210,875

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 $13,549,000 in tax-exempt bond allocation.

Agenda Item No. 7.44
Application No. 20-695

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**

Agenda Item No. 7.45
Application No. 20-731

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: Isaac Clark III

Applicant:	**City of San Jose**
Allocation Amount Requested:	
Tax-exempt:	$39,362,559
Project Information:	
Name:	**Blossom Hill Senior Apartments**
Project Address:	397 Blossom Hill Road
Project City, County, Zip Code:	San Jose, Santa Clara, 95123
Project Sponsor Information:	
Name:	Blossom Hill, L.P. (Blossom Hill Charities LLC)
Principals:	Daniel Wu, Executive Director for Blossom Hill Charities LLC
Property Management Company:	Charities Housing Development Corporation of Santa Clara
Project Financing Information:	
Bond Counsel:	Kutak Rock LLP
Private Placement Purchaser:	Wells Fargo Bank, 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
Total Number of Units:	147
Manager's Units:	2 Unrestricted
Type:	New Construction
Population Served:	Senior Citizens

Blossom Hill Senior Apartments is a new construction project located in San Jose on a 2.04-acre site. The project consists of 145 restricted rental units and 2 unrestricted manager units. The project will have 117 studio units, 15 one-bedroom units, 13 two-bedroom units and 2 three-bedroom units. Blossom Hill Senior Apartments will be one building of 4-stories in height. Exterior renovations will include indoor community gathering space, central mail, long-term bicycle storage room for 42 bicycle parking spaces, offices for property management and resident services, an outdoor common landscaped courtyard and second floor terrace, two laundry rooms with washers and dryers and a fitness room. Interior renovations will include energy star appliances, central boiler systems with solar panels to heat the water, EV parking spaces and sensors on lights to turn off when space is not in use. There will be a total of 38 parking spaces provided. The construction is expected to begin June 2021 and competed in April 2023.

Agenda Item No. 7.45
Application No. 20-731

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (145 units) restricted to 50% or less of area median income households.

Unit Mix: Studio, 1 & 2 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:	$	77,962,137	
Estimated Hard Costs per Unit:	$	303,072	($44,551,598 /147 units including mgr. units)
Estimated per Unit Cost:	$	530,355	($77,962,137 /147 units including mgr. units)
Allocation per Unit:	$	267,773	($39,362,559 /147 units including mgr. units)
Allocation per Restricted Rental Unit:	$	271,466	($39,362,559 /145 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	39,362,559	$	12,823,000
LIH Tax Credit Equity	$	0	$	27,188,049
Deferred Developer Fee	$	5,851,356	$	5,851,356
Costs Deferred Until Conversion	$	2,501,055	$	0
County of Santa Clara	$	10,083,541	$	10,083,541
City of San Jose	$	17,348,468	$	18,375,000
Accrued Deferred Interest	$	244,853	$	244,853
County of Santa Clara NPLH AP	$	0	$	3,396,338
Capital Contribution (LP)	$	2,570,305	$	0
Total Sources	$	77,962,137	$	77,962,137

Uses of Funds:		
Land Cost/Acquisition	$	1,424,542
New Construction	$	46,254,037
Contractor Overhead & Profit	$	2,848,372
Architectural Fees	$	1,739,230
Survey and Engineering	$	417,500
Construction Interest and Fees	$	7,089,652
Permanent Financing	$	332,872
Legal Fees	$	255,000
Reserves	$	1,157,470
Appraisal	$	10,000
Hard Cost Contingency	$	3,114,836
Local Development Impact Fees	$	819,215
Other Project Costs	$	4,148,055
Developer Costs	$	8,351,356
Total Uses	$	77,962,137

Analyst Comments:

This project is considered a high cost per unit project. Blossom Hill Senior Apartments will be constructed in Santa Clara County, which has high construction costs of $530,355 per unit. These high costs are related to the high cost of living in the County, shortage of qualified labor and the premium paid for materials due to demand in the over-heated construction market. Additionally, Charities Housing is required to pay prevailing wages, which is triggered by the soft funding sources assisting in the financing of this development. Because there are both Federal and City/County sources for the project, the higher of State or Federal wages will be paid based upon labor classification category.

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 150 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $39,362,559 in tax-exempt bond allocation.

Agenda Item No. 7.45
Application No. 20-731

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
Gross Rents	5	5	5.00
Large Family Units	5	5	0.00
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)	0	0	0.00
Total Points	**150**	**130**	**120.00**

Agenda Item No. 7.46
Application No. 20-710

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: Isaac Clark III

Applicant:	**City and County of San Francisco**

Allocation Amount Requested:

Tax-exempt:	$28,992,043

Project Information:

Name:	**Throughline Apartments**
Project Address:	777 Broadway, 1200-1208 Mason Street, and 1525-1529 Grant Avenue
Project City, County, Zip Code:	San Francisco, San Francisco, 94133

Project Sponsor Information:

Name:	Throughline, L.P. (CCDC Throughline, LLC)
Principals:	Malcolm Yeung (Executive Director), Whitney Jones (Deputy Director), Karen Gansen (CFO), Jane Chin (Co-Chair), Lindsey Quock (Co-Chair), Fady Zoubi (Secretary), James Nguyen (Treasurer) for CCDC Throughline, LLC
Property Management Company:	Chinatown Community Development Center

Project Financing Information:

Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	JPMorgan Chase Bank, 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
Total Number of Units:	88
Manager's Units:	3 Unrestricted
Type:	Acquisition and Rehabilitation
Population Served:	Family

Throughline Apartments is split-site project located in San Francisco on a .26, .11 and .09-acre sites. The entire project consists of 85 restricted rental units and 3 unrestricted managers' units. The entire project has 81 studio units and 7 one-bedroom units. Exterior renovations will include repair stucco, painting, replace windows, repair leaks at podium drains, repair or replace stair handrails and fencing, install storefront entry with auto opener, replace storefront courtyard doors, replace damaged louver and downspouts. Replace community room cabinets, counters, door hardware, appliances and fixtures to be ADA compliant. Upgrade laundry room for accessibility. Unit renovations will include painting unit interiors, replace old flooring, plumbing fixtures, faucets, showerheads and old sinks and vanities. Refurbish or replace bathtubs, surrounds, tub traps, mixing valves and shower controls. Replace kitchen cabinets, countertops and backsplash at range along with window coverings with vinyl blinds. Construction is scheduled to begin April 2021 and be completed in June 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

73% (62 units) restricted to 50% or less of area median income households.

27% (23 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:	$	56,521,176	
Estimated Hard Costs per Unit:	$	173,971	($15,309,482 /88 units including mgr. units)
Estimated per Unit Cost:	$	642,286	($56,521,176 /88 units including mgr. units)
Allocation per Unit:	$	329,455	($28,992,043 /88 units including mgr. units)
Allocation per Restricted Rental Unit:	$	341,083	($28,992,043 /85 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	28,992,043	$	4,451,790
Tranche B Financing	$	0	$	2,456,160
LIH Tax Credit Equity	$	0	$	16,434,525
Income from Operatons	$	201,396	$	2,349,592
Deferred Developer Fee	$	1,226,216	$	1,226,216
Costs Deferred Until Conversion	$	2,744,488	$	0
Seller Carryback Loan	$	9,859,925	$	9,859,925
SF Acquisition Loan	$	3,444,864	$	3,444,864
Accrued Defer. Int.-Seller Carryback	$	519,388	$	519,388
Acquired Project Reserves	$	2,148,196	$	0
Capital Contribution (GP)	$	2,156,716	$	2,156,716
Capital Contribution (LP)	$	2,350,429	$	0
Sponsor Loan		309,523		3,809,523
SF CHRP & CDBG Loan		2,567,992		2,567,992
PASS Deferred Loan		0		402,050
MOHCD Gap Loan		0		6,842,435
Total Sources	$	56,521,176	$	56,521,176

Uses of Funds:		
Land Cost/Acquisition	$	19,187,434
Rehabilitation	$	18,701,322
Relocation	$	1,742,000
Contractor Overhead & Profit	$	850,019
Architectural Fees	$	850,000
Survey and Engineering	$	164,500
Construction Interest and Fees	$	2,915,610
Permanent Financing	$	10,000
Legal Fees	$	40,000
Reserves	$	704,719
Appraisal	$	40,000
Hard Cost Contingency	$	2,370,134
Other Project Costs	$	3,362,506
Developer Costs	$	5,582,932
Total Uses	$	56,521,176

Analyst Comments:

This project is considered a high cost per unit project. San Francisco is experiencing an unprecedented construction boom, which has resulted in the escalation of construction costs at over 8% per year. The City and County of San Francisco Contractor Monitoring Division has established a Small Business Enterprise (SBE) participation goal of 20% for the work at Throughline Apartments, resulting in less competitive pricing. The Prevailing Wage and Local Hiring requirements for this project add an additional premium to labor costs. All publicly funded projects in San Francisco are required to pay Prevailing Wages. It is estimated that Prevailing Wage requirements alone add 3%-5% to the cost of construction, and Local Hiring requirements can add another 3%-5%, as some subcontractors attach a premium for Local Hiring compliance. Our contractor estimates that the cost premium for the subcontractor selection, prevailing wage, and local hiring requirements for this project is in excess of $500K.

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 $28,992,043 in tax-exempt bond allocation.

Agenda Item No. 7.46
Application No. 20-710

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	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
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**

Agenda Item No. 7.47
Application No. 20-676

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: Ken Otrotsyuk

Applicant: **California Municipal Finance Authority**

Allocation Amount Requested:

Tax-exempt: $41,743,521

Project Information:

Name: **Barrett Terrace Apartments**
Project Address: 700 Barrett Avenue
Project City, County, Zip Code: Richmond, Contra Costa, 94801

Project Sponsor Information:

Name: Barrett Terrace Housing, L.P. (CHDC Barrett Terrace, LLC)
Principals: Donald Gilmore for CHDC Barrett Terrace, LLC
Property Management Company: Community Property Management Corporation

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: 115
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Barrett Terrace Apartments is an existing project located in Richmond on a 5.85-acre site. The project consists of 94 restricted rental units, 20 market rate units and 1 unrestricted managers' units. The project has 28 one-bedroom units, 47 two-bedroom units, 14 three-bedroom units and 5 four-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of patio walls replacements, decking replacements, replacements of windows with retrofitted windows inserted into existing window frames. Interior renovations will include community building upgrades, laundry upgrades. Individual apartment units will be updated with a new flooring, new bathroom fixtures, new bathroom cabinets, new kitchen cabinets, new countertops, new kitchen sinks, new faucets, new kitchen appliances, new hot water heaters, new furnaces, electrical upgrades, new bathroom exhaust fans, led lighting upgrades, drywall repairs and new paint. Lastly, common or site area renovations will consist of parking lots updates, play areas updates. The rehabilitation is expected to begin in May 2021 and be completed in June 2022.

Agenda Item No. 7.47
Application No. 20-676

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 82%

76% (87 units) restricted to 50% or less of area median income households.

6% (7 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:	$	73,412,053	
Estimated Hard Costs per Unit:	$	193,887	($22,297,011 /115 units including mgr. units)
Estimated per Unit Cost:	$	638,366	($73,412,053 /115 units including mgr. units)
Allocation per Unit:	$	362,987	($41,743,521 /115 units including mgr. units)
Allocation per Restricted Rental Unit:	$	444,080	($41,743,521 /94 restricted units)

Sources of Funds:	Construction		Permanent	
Tax-Exempt Bond Proceeds	$	41,743,521	$	3,016,898
Taxable Bond Proceeds	$	0	$	13,214,988
LIH Tax Credit Equity	$	0	$	21,614,450
Deferred Developer Fee	$	4,851,111	$	4,851,111
Seller Carryback Loan	$	19,200,000	$	19,200,000
Itemized Public Funds Sources	$	0	$	9,600,000
Net Income From Operations	$	0	$	401,874
Accrued Deferred Interest	$	786,892	$	786,892
Existing Project Reserves	$	725,840	$	725,840
LP Contribution	$	2,231,629	$	0
Costs Deferred to Conversion	$	3,873,060	$	0
Total Sources	$	73,412,053	$	73,412,053

Uses of Funds:		
Land Cost/Acquisition	$	28,830,000
Rehabilitation	$	23,942,712
Relocation	$	1,400,000
New Construction	$	0
Contractor Overhead & Profit	$	1,277,035
Architectural Fees	$	600,000
Survey and Engineering	$	15,000
Construction Interest and Fees	$	3,088,060
Permanent Financing	$	231,898
Legal Fees	$	95,000
Reserves	$	1,314,010
Appraisal	$	30,589
Hard Cost Contingency	$	2,521,976
Local Development Impact Fees	$	0
Other Project Costs (Soft Costs, Marketing, etc.)	$	2,439,662
Developer Costs	$	7,626,111
Total Uses	$	73,412,053

Analyst Comments:

This project is considered a high cost per unit project.
The continued high property values throughout the Bay Area in both rents and property values. The appraised value represents $250,345 per unit (or 39% of the total) and the extensive renovation at $219,302 per unit (or 34% of the total). The property will receive an extensive renovation addressing long -term maintenance needs to correct original construction design choices such as poor waterproofing details. The improvements will include complete interior renovation, an upgrading of the community building/laundry, and extensive exterior upgrades with new windows and waterproofing the entire building envelop.

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 $41,743,521 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**

Agenda Item No. 7.48
Application No. 20-716

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: Isaac Clark III

Applicant: **California Municipal Finance Authority**

Allocation Amount Requested:

Tax-exempt:	$16,253,397

Project Information:

Name:	**Pony Express Senior Apartments**
Project Address:	220 Aegean Way
Project City, County, Zip Code:	Vacaville, Solano, 95687

Project Sponsor Information:

Name:	Pony Express Senior Apartments, L.P. (PE Vacaville EAH, LLC and Pony Express Senior Apartments LLC)
Principals:	Laura Hall, President & CEO; Cathy Macy, Assistant Secretary; Welton Jordan, Assistant Secretary; David Egan, Assistant Secretary for PE Vacaville EAH, LLC / Mary Stompe, Executive Director & Assistant Secretary for Pony Express Senior Apartments LLC
Property Management Company:	Petaluma Ecumenical Properties dba PEP Housing

Project Financing Information:

Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	Wells Fargo Bank, 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
Total Number of Units:	60
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Senior Citizens

Pony Express Senior Apartments is a new construction project located in Vacaville on a 1.828-acre site. The project consists of 59 restricted rental units and 1 unrestricted manager unit. The project will have 59 one-bedroom units. Exterior renovations will include a large community building with meeting rooms, services' and manager's offices, computer room, exercise room, and outdoor plaza. Other amenities include community garden area and fenced dog run. Unit renovations will include high-efficiency HVAC systems, energy efficient lighting, and EnergyStar appliances. There are 45 parking spaces provided. The construction is expected to begin May 2021 and be completed in November 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

100% (59 units) restricted to 50% or less of area median income households.

Unit Mix: 1 & 2 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:	$	29,994,100	
Estimated Hard Costs per Unit:	$	220,289	($13,217,346 /60 units including mgr. unit)
Estimated per Unit Cost:	$	499,902	($29,994,100 /60 units including mgr. unit)
Allocation per Unit:	$	270,890	($16,253,397 /60 units including mgr. unit)
Allocation per Restricted Rental Unit:	$	275,481	($16,253,397 /59 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	16,253,397	$	5,929,000
Taxable Bond Proceeds	$	7,339,885	$	0
LIH Tax Credit Equity	$	0	$	10,091,215
Deferred Developer Fee	$	814,691	$	814,691
Costs Deferred Until Conversion	$	2,402,257	$	0
Vacaville Acquisition Loan	$	1,320,000	$	1,320,000
Vacaville Loan	$	500,000	$	500,000
MHP Loan	$	0	$	11,339,194
Capital Contribution (LP)	$	1,363,870	$	0
Total Sources	$	29,994,100	$	29,994,100

Uses of Funds:		
Land Cost/Acquisition	$	1,489,636
New Construction	$	18,008,063
Contractor Overhead & Profit	$	800,722
Architectural Fees	$	735,000
Survey and Engineering	$	416,202
Construction Interest and Fees	$	1,517,879
Permanent Financing	$	10,000
Legal Fees	$	130,000
Reserves	$	463,338
Appraisal	$	10,000
Hard Cost Contingency	$	1,272,653
Local Development Impact Fees	$	1,251,740
Other Project Costs	$	698,855
Developer Costs	$	3,190,012
Total Uses	$	29,994,100

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 150 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $16,253,397 in tax-exempt bond allocation.

Agenda Item No. 7.48
Application No. 20-716

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	0
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**	**120**

Agenda Item No. 7.49
Application No. 20-694

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: Isaac Clark III

Applicant:	**Los Angeles County Development Authority**
Allocation Amount Requested:	
Tax-exempt:	$33,318,000
Project Information:	
Name:	**West Carson Villas**
Project Address:	22801-22905 S Vermont Ave
Project City, County, Zip Code:	Torrance, Los Angeles, 90502
Project Sponsor Information:	
Name:	PV West Carson, LP (WCV MGP, LLC)
Principals:	Joel John Roberts, CEO / Lois Starr, Acting Executive Director for WCV MGP, LLC
Property Management Company:	The John Stewart Company
Project Financing Information:	
Bond Counsel:	Hawkins, Delafield & Wood LLP
Private Placement Purchaser:	JPMorgan Chase Bank, 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
Total Number of Units:	111
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family

West Carson Village is a new construction project located in Torrance on a 1.54-acre site. The project consists of 111 restricted rental units and 1 unrestricted manager unit. The project will have 47 one-bedroom units, 52 two- bedroom units and 12 three-bedroom units. Exterior renovations will include community spaces that include: a teaching kitchen, a television seating area, a wellness room, and a computer lab. In addition to the common areas throughout the building, there will also be common open spaces including an open-air terrace and kids play area outside the building. Additionally, there will be 12 washers and dryers, for a ratio of 1 for every 10 dwelling units. Unit renovations will include new refrigerators, electric range and ovens, a free-standing microwave in accessible units, a microwave above the range in non-accessible units, solid surface countertops, a storage cabinet and a full bathroom, including a sink, toilet, and a mix of bathtubs and roll-in showers. There are 83 parking spaces provided. The construction is expected to begin April 2021 and be completed by October 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

68% (75 units) restricted to 50% or less of area median income households.

32% (35 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

Details of Project Financing:

Estimated Total Development Cost:	$	64,260,357		
Estimated Hard Costs per Unit:	$	340,895	($37,839,346	/111 units including mgr. unit)
Estimated per Unit Cost:	$	578,922	($64,260,357	/111 units including mgr. unit)
Allocation per Unit:	$	300,162	($33,318,000	/111 units including mgr. unit)
Allocation per Restricted Rental Unit:	$	302,891	($33,318,000	/110 restricted units)

Sources of Funds:	Construction		Permanent	
Tax-Exempt Bond Proceeds	$	33,318,000	$	8,251,000
Taxable Bond Proceeds	$	9,112,780	$	0
LIH Tax Credit Equity	$	0	$	18,303,457
Costs Deferred Until Conversion	$	2,496,331	$	0
Multi Family Housing Program	$	0	$	20,000,000
LA Cnty Dev Auth	$	13,950,000	$	14,000,000
Capital Contribution (GP)	$	3,705,900	$	3,705,900
Capital Contribution (LP)	$	1,677,346	$	0
Total Sources	$	64,260,357	$	64,260,357

Uses of Funds:		
Land Cost/Acquisition	$	7,705,300
Relocation	$	40,000
New Construction	$	35,956,789
Contractor Overhead & Profit	$	1,619,257
Architectural Fees	$	1,797,450
Survey and Engineering	$	517,500
Construction Interest and Fees	$	3,082,760
Permanent Financing	$	67,757
Legal Fees	$	193,000
Reserves	$	1,198,321
Appraisal	$	10,000
Hard Cost Contingency	$	1,891,967
Local Development Impact Fees	$	604,469
Other Project Costs	$	3,369,987
Developer Costs	$	6,205,800
Total Uses	$	64,260,357

Analyst Comments:

This project is considered a high cost per unit project. The primary and most persistent factor is a continual and consistent increase in construction costs. As Los Angeles continues to experience a construction boom, the available labor for construction projects is insufficient to meet the demand. Per a report by Rider Levett Bucknall, a U.K.- based construction consulting firm, construction costs in Los Angeles grew by five (5.0%) percent in 2018 alone. The cost estimate from our Construction Manager indicates that the per unit hard construction cost is $340,895. Construction costs continue to be on the rise—hard costs rise year over year and materials cost continue to rise due to shortages and tariffs. Labor is still in high demand, commanding high wages.

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 150 **[**See Attachment A**]**

Recommendation:

Staff recommends that the Committee approves $33,318,000 in tax-exempt bond allocation.

Agenda Item No. 7.49
Application No. 20-694

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
Gross Rents	5	5	5.00
Large Family Units	5	5	0.00
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)	0	0	0.00
Total Points	**150**	**130**	**120.00**

AGENDA ITEM 8

Transfer and Award of Unused 2020 Allocation

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 21, 2020
CONSIDERATION OF STAFF'S RECOMMENDATION TO TRANSFER AND AWARD UNUSED ALLOCATION

ACTION:

Approve the transfer and award of all unused 2020 bond allocation Volume Cap remaining in program pools through December 31, 2020.

BACKGROUND:

After the December 21, 2020 allocation meeting, there may be a small remaining unused 2020 Volume Cap that will be available for allocation in 2021. Staff understands that there may be activity (such as reversions) that could lead to unused 2020 Volume Cap.

RECOMMENDATION:

Staff recommends that any 2020 state allocation that is unused through December 31, 2020 be transferred to an issuer to be chosen by the Board.

Prepared by Sarah Lester