

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 17, 2017**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$25,000,000

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**Project Information:**  
**Name:** Kings Canyon Apartments  
**Project Address:** 5070 East Kings Canyon Road  
**Project City, County, Zip Code:** Fresno, Fresno, 93727

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**Project Sponsor Information:**  
**Name:** Kings Canyon Affordable Housing, L.P. (Kings Canyon Affordable Housing, LLC)  
**Principals:** Paul F. Chavez, Manuel H. Bernal and Paul S. Park for Kings Canyon Affordable Housing, LLC  
**Property Management Company:** Cesar Chavez Foundation, Inc.

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**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  
**TEFRA Noticing Date:** March 1, 2017  
**TEFRA Adoption Date:** March 16, 2017

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 135  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

Kings Canyon Apartments is a new construction project located in Fresno on a 4.5 -acre site. The project consists of 134 rental units and 1 unrestricted manager unit. The project will have 65 one-bedroom units, 35 two- bedroom units and 34 three-bedroom units. The building will have two three-story buildings and a one-story clubhouse. Common amenities include a large multipurpose room, recreation room, computer room, laundry facilities, management office. Each unit will have a refrigerator, range/oven, dishwasher, microwave, etc. There will be 160 parking spaces provided. The construction is expected to begin in October 2017 and to be completed in February 2019.



**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
52% (70 units) restricted to 50% or less of area median income households.  
48% (64 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

The proposed project will not be providing service amenities.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 34,819,299	
<b>Estimated Hard Costs per Unit:</b>	\$ 153,271	(\$20,691,550 /135 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 257,921	(\$34,819,299 /135 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 185,185	(\$25,000,000 /135 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 186,567	(\$25,000,000 /134 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 25,000,000	\$ 2,070,000
LIH Tax Credit Equity	\$ 3,442,200	\$ 12,800,000
Deferred Developer Fee	\$ 0	\$ 2,830,353
Deferred Fees and Costs	\$ 4,121,907	\$ 0
HCD-AHSC Grants	\$ 715,672	\$ 715,672
HCD-AHSC Loan	\$ 0	\$ 14,863,754
Fresno Land Donation	\$ 904,000	\$ 904,000
Fresno Waived Fees	\$ 635,520	\$ 635,520
<b>Total Sources</b>	<b>\$ 34,819,299</b>	<b>\$ 34,819,299</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,394,320
New Construction	\$ 20,228,350
Contractor Overhead & Profit	\$ 2,832,218
Architectural Fees	\$ 652,055
Construction Interest and Fees	\$ 1,689,350
Permanent Financing	\$ 52,500
Legal Fees	\$ 175,000
Reserves	\$ 394,294
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 778,669
Local Development Impact Fees	\$ 1,175,520
Other Project Costs (Soft Costs)	\$ 1,437,023
Developer Costs	\$ 4,000,000
<b>Total Uses</b>	<b>\$ 34,819,299</b>

**Analyst Comments:**

None

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**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.

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**Total Points:**

78.7 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$25,000,000 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	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]	3.7
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>78.7</b>

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.