

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
December 16, 2009  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Crystal Alvarez

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$2,713,424

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**Project Information:**  
**Name:** Oakridge Apartments  
**Project Address:** 10 Willowood Drive  
**Project City, County, Zip Code:** Oakdale, Stainslaus, 95361

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**Project Sponsor Information:**  
**Name:** CICOakridge Apartments, L.P. (Pacific Southwest Community Development Corporation and Chelsea Investment Corporation Oakridge, LLC)  
**Principals:** James J. Schmid, Lynn Harrington Schmid, Robert W. Laing and Tony Reyes

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Bonneville Mortgage Company  
**TEFRA Hearing Date:** March 16, 2009

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**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 40, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family/Federally Assisted At-Risk

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
70% (28 units) restricted to 50% or less of area median income households.  
30% (12 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 5,480,937	
<b>Estimated Hard Costs per Unit:</b>	\$ 22,355	(\$894,190 /40 units)
<b>Estimated per Unit Cost:</b>	\$ 137,023	(\$5,480,937 /40 units)
<b>Allocation per Unit:</b>	\$ 67,836	(\$2,713,424 /40 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 67,836	(\$2,713,424 /40 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 2,713,424	\$ 1,361,470
New 515 Loan	\$ 0	\$ 820,000
Deferred Developer Fee	\$ 0	\$ 34,468
Deferred Fee During Construction	\$ 270,842	\$ 0
LIH Tax Credit Equity	\$ 1,218,671	\$ 1,487,000
Direct & Indirect Public Funds	\$ 500,000	\$ 1,000,000
Other	\$ 778,000	\$ 778,000
<b>Total Sources</b>	<b>\$ 5,480,937</b>	<b>\$ 5,480,938</b>

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 2,770,000
Rehabilitation Costs	\$ 961,676
Relocation	\$ 199,982
Architectural	\$ 50,000
Survey & Engineering	\$ 14,500
Contingency Costs	\$ 126,590
Construction Period Expenses	\$ 273,512
Permanent Financing Expenses	\$ 185,296
Legal Fees	\$ 55,000
Capitalized Reserves	\$ 109,619
Reports & Studies	\$ 21,000
Other (Marketing, etc)	\$ 87,989
Developer Costs	\$ 625,774
<b>Total Uses</b>	<b>\$ 5,480,938</b>

**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:** 75.5 out of 128

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$2,713,424 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	10
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>75.5</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.