

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 28, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$6,500,000

Project Information:
Name: Oak Knoll Villas Apartments
Project Address: 12509 Oak Knoll Road
Project City, County, Zip Code: Poway, San Diego, 92064

The proposed Project is located in a Community Revitalization area, more specifically in the Oak Knoll Revitalization Area.

Project Sponsor Information:
Name: Oak Knoll Housing Associates, L.P. (Community Housing Works)
Principals: Susan M. Reynolds, Anne B. Wilson, Rosemary Stabrawa, Patti Hamic-Christensen, KJ Koijonen, Gabe Del Rio and Jon Schwartz

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank of California, N.A.
TEFRA Hearing: October 10, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 51, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
51% (26 units) restricted to 50% or less of area median income households.
49% (25 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$	13,562,029	
Estimated Hard Costs per Unit:	\$	41,012	(\$2,091,604 /51 units)
Estimated per Unit Cost:	\$	265,922	(\$13,562,029 /51 units)
Allocation per Unit:	\$	127,451	(\$6,500,000 /51 units)
Allocation per Restricted Rental Unit:	\$	127,451	(\$6,500,000 /51 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,500,000	\$ 2,495,000
Income from Operations	\$ 107,722	\$ 107,772
Developer Equity (deferred fee)	\$ 0	\$ 107,873
Refund of Utility Deposit	\$ 0	\$ 25,000
LIH Tax Credit Equity	\$ 333,000	\$ 3,098,261
Direct & Indirect Public Funds	\$ 5,324,123	\$ 7,429,000
Other (Cost deferred to perm)	\$ 1,297,184	\$ 299,123
Total Sources	\$ 13,562,029	\$ 13,562,029

Uses of Funds:	
Acquisition Costs	\$ 7,367,500
Hard Construction Costs	\$ 2,091,604
Architect & Engineering Fees	\$ 123,700
Contractor Overhead & Profit	\$ 181,850
Developer Fee	\$ 1,518,774
Relocation	\$ 698,346
Cost of Issuance	\$ 181,641
Capitalized Interest	\$ 39,000
Other Soft Costs	\$ 1,359,614
Total Uses	\$ 13,562,029

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: 84.2 out of 138
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,500,000 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
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]	6.2
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Exceeding Minimum Term Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	84.2

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.