

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 15, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	California Statewide Communities Development Authority
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Allocation Amount Requested:	Tax-exempt:	\$4,700,000
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Project Information:	Name:	Camellia Place II (scattered site)
	Project Address:	1329 Chattahoochee Lane
	Project City, County, Zip Code:	Bakersfield, Kern, 93307

Project Sponsor Information:	Name:	Camellia Place 2, L.P. (Corporation for Better Housing; and Integrated Community Development)
	Principals:	Lori Koester for Corporation for Better Housing; and Benjamin Lingo and Charles Brumbaugh for Integrated Community Development
	Property Management Company:	Domus Management Company

Project Financing Information:	Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
	Private Placement Purchaser:	Pacific Western Bank
	Cash Flow Permanent Bond:	Not Applicable
	Public Sale:	Not Applicable
	Underwriter:	Not Applicable
	Credit Enhancement Provider:	Not Applicable
	TEFRA Noticing Date:	January 23, 2017
	TEFRA Adoption Date:	February 7, 2017

Description of Proposed Project:	State Ceiling Pool:	General
	Total Number of Units:	16
	Manager's Units:	1 Unrestricted
	Type:	New Construction
	Population Served:	Family

Camellia Place II is a scattered site new construction project located in Bakersfield consisting of two land sites with a combined area of 2.5 acres. The project consists of 15 single family rental homes, 4 of which will be three-bedroom units and 11 will be four-bedroom units. An additional three-bedroom home will be built to serve as a manager's unit. Planned common amenities include a large community room with kitchen, computer room with high-speed Internet access, barbeque area, playground and a tot-lot. Each unit will feature a refrigerator, range/oven, dishwasher, garbage disposal, granite counters, carpeting, central heating and A/C, Internet cable and a private two-car garage. Construction is expected to begin in June 2017 and to be completed in June 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 94%
19% (3 units) restricted to 50% or less of area median income households.
75% (12 units) restricted to 60% or less of area median income households.
Unit Mix: 3 & 4 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 5,974,178	
Estimated Hard Costs per Unit:	\$ 193,748	(\$2,906,213 /15 units)
Estimated per Unit Cost:	\$ 373,386	(\$5,974,178 /16 units including mgr. units)
Allocation per Unit:	\$ 313,333	(\$4,700,000 /15 units)
Allocation per Restricted Rental Unit:	\$ 313,333	(\$4,700,000 /15 restricted units)

Sources of Funds:

	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,700,000	\$ 599,000
LIH Tax Credit Equity	\$ 457,840	\$ 1,808,083
Deferred Developer Fee	\$ 0	\$ 86,311
Seller Carryback Loan	\$ 430,000	\$ 430,000
HOME Funds	\$ 0	\$ 3,050,784
Total Sources	\$ 5,587,840	\$ 5,974,178

Uses of Funds:

Land Cost/Acquisition	\$ 430,000
New Construction	\$ 3,109,648
Contractor Overhead & Profit	\$ 203,434
Architectural Fees	\$ 25,000
Survey and Engineering	\$ 60,000
Construction Interest and Fees	\$ 393,210
Permanent Financing	\$ 10,000
Legal Fees	\$ 106,850
Reserves	\$ 34,595
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 165,655
Local Development Impact Fees	\$ 277,568
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 276,839
Soft Cost Contingency	\$ 200,750
Developer Costs	\$ 670,629
Total Uses	\$ 5,974,178

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:

70.1 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$4,700,000 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	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	5.1
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	5
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
Total Points	140	120	70.1

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.