

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 21, 2018**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Sarah Lester*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$4,500,000

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**Project Information:**  
**Name:** Kristen Court Apartments II  
**Project Address:** 9027 N Street  
**Project City, County, Zip Code:** Live Oak, Sutter, 95953

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**Project Sponsor Information:**  
**Name:** Live Oak Pacific Associates II, a California L.P. (TPC Holdings V, LLC and Sutter Community Affordable Housing)  
**Principals:** Caleb Roope for TPC Holdings V, LLC; Martha Griese, Diane Hodges and Gustavo Becerra for Sutter Community Affordable Housing  
**Property Management Company:** Aperto Property Management, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe 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  
**TEFRA Noticing Date:** November 22, 2017  
**TEFRA Adoption Date:** December 6, 2017

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**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 24  
**Manager's Units:** 0\*  
**Type:** New Construction  
**Population Served:** Family

\*Management services will be provided through a staffing agreement with the adjacent phase I Kristen Court Apts.

Kristen Court Apartments II is a new construction project located in Live Oak on a 2.24 acre portion of a 3.68 acre site. The project consists of 24 restricted rental units. The project will have 12 two-bedroom units and 12 three-bedroom units. The site will include three (3) residential buildings and a laundry building. The construction will be wood frame supported by perimeter foundations with concrete slab flooring. Common amenities that are shared with Kristen Court Apartments Phase I include a community room and a kitchen, laundry facilities, exercise room, management offices, playground and a swimming pool. Each unit will have a refrigerator, range/oven, dishwasher, disposal, exhaust fans and a balcony or patio with storage space. Construction is expected to begin May 2018 and be completed in May 2019.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (24 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 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>	\$ 7,203,667	
<b>Estimated Hard Costs per Unit:</b>	\$ 145,660	(\$3,495,848 /24 units, no mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 300,153	(\$7,203,667 /24 units, no mgr. units)
<b>Allocation per Unit:</b>	\$ 187,500	(\$4,500,000 /24 units, no mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 187,500	(\$4,500,000 /24 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,500,000	\$ 450,000
LIH Tax Credit Equity	\$ 207,397	\$ 2,007,285
Deferred Developer Fee	\$ 870,382	\$ 246,382
Deferred Costs	\$ 125,887	\$ 0
City of Live Oak (HOME Funds)	\$ 1,500,000	\$ 4,500,000
Total Sources	\$ 7,203,666	\$ 7,203,667

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 242,500
New Construction	\$ 3,749,299
Contractor Overhead & Profit	\$ 279,668
Architectural Fees	\$ 200,000
Survey and Engineering	\$ 145,000
Construction Interest and Fees	\$ 305,000
Permanent Financing	\$ 100,000
Legal Fees	\$ 70,000
Reserves	\$ 125,887
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 200,000
Local Development Impact Fees	\$ 618,582
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 287,349
Developer Costs	\$ 870,382
Total Uses	\$ 7,203,667

**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:**

70 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$4,500,000 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
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
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	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>70</b>