

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 16, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: Housing Authority of the City of San Luis Obispo

Allocation Amount Requested:
Tax-exempt: \$8,405,388

Project Information:
Name: Courtyard at the Meadows Apartments
Project Address: 3175 Violet Street
Project City, County, Zip Code: San Luis Obispo, San Luis Obispo, 93401

Project Sponsor Information:
Name: Courtyard at the Meadows, L.P. (San Luis Obispo Non-Profit Housing Corporation)
Principals: Anthony R. Chubon, Charles Crotser, Janet Kourakis, Jay Beck, Linda Minton, Scott Smith and Ken Litzinger
Property Management Company: Housing Authority of San Luis Obispo

Project Financing Information:
Bond Counsel: Quint & Thimmig 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
Rating: Not Applicable
TEFRA Noticing Date: January 20, 2018
TEFRA Adoption Date: February 6, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 36
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Courtyard at the Meadows Apartments is a new construction project located in San Luis Obispo on a 1.39-acre site. The project consists of 35 restricted rental units and 1 unrestricted manager unit. The project will have 9 one-bedroom units, 18 two-bedroom units and 9 three-bedroom units. The building will consist of four (4) three-story garden-style buildings. Common amenities include a community room, computer room, playground, community kitchen and a laundry room. Each unit will have a walk-in closet, patio/balcony, refrigerator, oven and dishwasher. There are 44 parking spaces provided. The project will be pursuing Green Point Rated Multifamily Guidelines. The construction is expected to begin in November 2018 and be completed in November 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (4 units) restricted to 50% or less of area median income households.
89% (31 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points. The developer will provide an after school program.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	14,155,099	
Estimated Hard Costs per Unit:	\$	178,802	(\$344,100 /36 units including mgr. units)
Estimated per Unit Cost:	\$	393,197	(\$14,155,099 /36 units including mgr. units)
Allocation per Unit:	\$	233,483	(\$8,405,388 /36 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	240,154	(\$8,405,388 /35 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,405,388	\$ 4,096,829
LIH Tax Credit Equity	\$ 314,583	\$ 4,781,584
City of SLO AHP	\$ 630,000	\$ 630,000
City of SLO CDBG	\$ 288,847	\$ 288,847
City of SLO Fee Waivers	\$ 1,007,915	\$ 1,007,915
City of SLO Accrued/Deferred Interest	\$ 61,823	\$ 61,823
County of SLO CDBG	\$ 300,000	\$ 300,000
County of SLO HOME Loan	\$ 292,500	\$ 292,500
Accrued/Deferred Interest	\$ 65,177	\$ 65,177
Deferred Developer Fee	\$ 1,190,424	\$ 1,190,424
HASLO Loan	\$ 1,440,000	\$ 1,440,000
Deferred Costs	\$ 158,442	\$ 0
Total Sources	\$ 14,155,099	\$ 14,155,099

Uses of Funds:	
Land Cost/Acquisition	\$ 1,440,000
New Construction	\$ 7,273,960
Contractor Overhead & Profit	\$ 680,281
Architectural Fees	\$ 202,553
Survey and Engineering	\$ 75,000
Construction Interest and Fees	\$ 691,748
Legal Fees	\$ 60,000
Reserves	\$ 223,045
Appraisal	\$ 9,000
Hard Cost Contingency	\$ 397,712
Local Development Impact Fees	\$ 1,117,915
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 397,356
Developer Costs	\$ 1,586,529
Total Uses	\$ 14,155,099

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:

78.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$8,405,388 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	26
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	2.5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
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	78.5