

**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*

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**Applicant:** Housing Authority of the City of San Luis Obispo

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

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**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

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**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

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**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

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**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:**

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

<b>Sources of Funds:</b>	<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
<b>Total Sources</b>	<b>\$ 14,155,099</b>	<b>\$ 14,155,099</b>

<b>Uses of Funds:</b>	
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
<b>Total Uses</b>	<b>\$ 14,155,099</b>

**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:**

78.5 out of 140 [See Attachment A]

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**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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>78.5</b>