

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 17, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Isaac Clark III

Applicant:	California Statewide Communities Development Authority
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Allocation Amount Requested:	Tax-exempt: \$8,600,000
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Project Information:	Name: Kimberly Park Apartments
	Project Address: 15135 Kimberly Drive
	Project City, County, Zip Code: Victorville, San Bernardino, 92394

Project Sponsor Information:	Name: WP Kimberly Park Apartments, LP (WP Kimberly Park Principals: George and Laura Slajchert for WP Kimberly Park, LP / Christine Alley for Central Valley Coalition for Affordable Housing, Inc. / Charles Anderson for City Real Estate Advisors
Property Management Company:	John Stewart Company

Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP
	Private Placement Purchaser: CBRE Capital Markets
	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 22, 2019
	TEFRA Adoption Date: February 19, 2019

Description of Proposed Project:	State Ceiling Pool: General
	Total Number of Units: 132
	Manager's Units: 1 Unrestricted
	Type: Acquisition and Rehabilitation
	Population Served: Family

Kimberly Park Apartments is an existing project located in Victorville on a 8.99-acre site. The project consists of 104 restricted rental units, 27 market rate units and 1 unrestricted manager unit. The project has 32 two-bedroom units, 72 three-bedroom units, and 28 four-bedroom units. The renovations will include building (exterior/interior) upgrades. Building exterior renovations will consist of repainting. Landscaping will be redone and retaining walls will be added. Interior renovations will include repainting as well. Individual apartment units will include: updated HVAC units, windows as needed, vinyl flooring, kitchen cabinets, countertops, bathroom vanities and appliances. Lastly, property amenities to be upgraded include the pool area with new tables and chairs and the barbeque area next door with a lounge area shaded with an attractive lanai. The parking lot will be resurfaced, and trash areas improved. The rehabilitation is expected to begin in October 2019 and be completed in May 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 79%

76% (100 units) restricted to 50% or less of area median income households.

3% (4 units) restricted to 60% or less of area median income households.

Unit Mix: 2, 3 & 4 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 16,919,957	
Estimated Hard Costs per Unit:	\$ 29,811	(\$3,935,000 /132 units including mgr. unit)
Estimated per Unit Cost:	\$ 128,181	(\$16,919,957 /132 units including mgr. unit)
Allocation per Unit:	\$ 65,152	(\$8,600,000 /132 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 82,692	(\$8,600,000 /104 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 8,600,000	\$ 8,600,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 5,577,549
Developer Equity	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 920,276
Deferred Costs	\$ 202,552	\$ 202,552
Seller Credit	\$ 46,066	\$ 46,066
Itemized Public Funds Sources	\$ 0	\$ 0
Total Credit Equity	\$ 0	\$ 0
City Real Estate Advisors	\$ 5,577,549	\$ 0
WP Kimberly Park LLC-Seller's Note	\$ 1,573,514	\$ 1,573,514
Willow Partners LLC-DDF	\$ 920,276	\$ 0
Total Sources	\$ 16,919,957	\$ 16,919,957

Uses of Funds:	
Land Cost/Acquisition	\$ 8,200,000
Rehabilitation	\$ 3,639,335
Relocation	\$ 0
New Construction	\$ 0
Contractor Overhead & Profit	\$ 295,665
Architectural Fees	\$ 300,000
Survey and Engineering	\$ 80,000
Construction Interest and Fees	\$ 437,400
Permanent Financing	\$ 104,000
Legal Fees	\$ 206,751
Reserves	\$ 283,006
Appraisal	\$ 0
Hard Cost Contingency	\$ 502,000
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 836,495
Developer Costs	\$ 2,035,305
Total Uses	\$ 16,919,957

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 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$8,600,000 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]	10.00
Large Family Units	5	5	5.00
Leveraging	10	10	0.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	10.00
New Construction or Substantial Renovation	10	10	0.00
Sustainable Building Methods	10	10	0.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	140	120	70.00