

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: Richard Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$47,000,000

Project Information:

Name: Campus Oaks Apartments Phase 2
Project Address: 350 Roseville Parkway
Project City, County, Zip Code: Roseville, Placer, 95747

Project Sponsor Information:

Name: Campus Oaks Apartments 2 LP (Campus Oaks Admin GP LLC & CERC of Wisconsin Holdings 2 LLC)
Principals: Scott I. Canel for Campus Oaks Admin GP LLC and CERC of Wisconsin Holdings 2 LLC
Property Management Company: Ten South Management, Inc.

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Sterling 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: April 19, 2019
TEFRA Adoption Date: May 15, 2019

Description of Proposed Project:

State Ceiling Pool: Mixed
Total Number of Units: 210
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Campus Oaks Apartments Phase 2 is a new construction project located in Roseville on a 8.89-acre site. The project consists of 45 restricted rental units, 164 market rate units and 1 unrestricted manager unit. The project will have 57 one-bedroom units, 103 two-bedroom units and 50 three-bedroom units. The building will be 4-story wood construction with stucco exteriors. Each unit will have a refrigerator, range/oven, dishwasher, garbage disposal, microwave and a washer and dryer. There are 413 parking spaces being provided. The project will be pursuing Green Point rated program Green features include gray water irrigation. The construction is expected to begin August 2019 and will be completed in March 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 22%
22% (45 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 58,428,803	
Estimated Hard Costs per Unit:	\$ 156,869	(\$32,942,524 /210 units including mgr. unit)
Estimated per Unit Cost:	\$ 278,232	(\$58,428,803 /210 units including mgr. unit)
Allocation per Unit:	\$ 223,810	(\$47,000,000 /210 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 1,044,444	(\$47,000,000 /45 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 47,000,000	\$ 47,000,000
LIH Tax Credit Equity	\$ 0	\$ 2,140,140
Developer Equity	\$ 7,239,708	\$ 5,099,568
Deferred Developer Fee	\$ 100,000	\$ 100,000
CSCDA SKIP Funds	\$ 4,089,095	\$ 4,089,095
Total Sources	\$ 58,428,803	\$ 58,428,803

Uses of Funds:	
Land Cost/Acquisition	\$ 4,083,333
New Construction	\$ 33,720,791
Contractor Overhead & Profit	\$ 2,334,802
Architectural Fees	\$ 555,800
Survey and Engineering	\$ 435,780
Construction Interest and Fees	\$ 3,670,733
Permanent Financing	\$ 448,500
Legal Fees	\$ 190,000
Reserves	\$ 922,757
Hard Cost Contingency	\$ 1,647,126
Local Development Impact Fees	\$ 8,925,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,334,181
Developer Costs	\$ 160,000
Total Uses	\$ 58,428,803

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:

44 out of 120 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$47,000,000 in tax-exempt bond allocation on a carryforward basis.

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	6.5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
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	44