

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: \$55,400,000

Project Information:

Name: Cameron Park Apartments
Project Address: 929 W. Cameron Avenue
Project City, County, Zip Code: West Covina, Los Angeles, 91790

Project Sponsor Information:

Name: Cameron Park Community Partners, LP (WNC Development Partners, LLC & Foundation for Affordable Housing V)
Principals: Will Cooper Jr. for WNC Development Partners and Deborah A. Willard for Foundation for Affordable Housing V
Property Management Company: FPI Management, Inc

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, 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: May 23, 2019
TEFRA Adoption Date: June 4, 2019

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 158
Manager's Units: 2 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Cameron Park Apartments is an existing project located in West Covina on a 7.25-acre site. The project consists of 156 restricted rental units and 2 unrestricted manager units. The project has 42 one-bedroom units, 60 two-bedroom units, 48 three-bedroom units and 8 four-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement and window replacements. Interior renovations will include laundry room, leasing office and community room upgrades. Individual apartment units will be updated with a new kitchen appliance package, countertops, cabinets, paint and electrical LED lighting updates. Lastly, common or site area renovations will consist of concrete repairs, asphalt replacement and ADA updates. The rehabilitation is expected to begin in September 2019 and will be completed in August 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
32% (50 units) restricted to 50% or less of area median income households.
68% (106 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 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: \$ 77,645,125
Estimated Hard Costs per Unit: \$ 42,000 (\$6,636,000 /158 units including mgr. units)
Estimated per Unit Cost: \$ 491,425 (\$77,645,125 /158 units including mgr. units)
Allocation per Unit: \$ 350,633 (\$55,400,000 /158 units including mgr. units)
Allocation per Restricted Rental Unit: \$ 355,128 (\$55,400,000 /156 restricted units)

| Sources of Funds: | Construction | Permanent |
|----------------------------|---------------|---------------|
| Tax-Exempt Bond Proceeds | \$ 42,520,000 | \$ 42,520,000 |
| Tranche B Financing | \$ 12,880,000 | \$ 0 |
| LIH Tax Credit Equity | \$ 8,772,753 | \$ 23,939,098 |
| Deferred Developer Fee | \$ 8,309,499 | \$ 6,240,786 |
| Seller Credit | \$ 790,000 | \$ 790,000 |
| Net Income From Operations | \$ 4,304,873 | \$ 4,087,241 |
| Existing Reserves | \$ 68,000 | \$ 68,000 |
| Total Sources | \$ 77,645,125 | \$ 77,645,125 |

| Uses of Funds: | |
|---|---------------|
| Land Cost/Acquisition | \$ 52,858,000 |
| Rehabilitation | \$ 7,159,610 |
| Relocation | \$ 118,500 |
| Contractor Overhead & Profit | \$ 530,880 |
| Architectural Fees | \$ 80,000 |
| Survey and Engineering | \$ 117,000 |
| Construction Interest and Fees | \$ 5,289,139 |
| Permanent Financing | \$ 17,500 |
| Legal Fees | \$ 260,000 |
| Reserves | \$ 771,000 |
| Appraisal | \$ 7,500 |
| Hard Cost Contingency | \$ 773,758 |
| Other Project Costs (Soft Costs, Marketing, etc.) | \$ 376,491 |
| Developer Costs | \$ 9,285,747 |
| Total Uses | \$ 77,645,125 |

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:

68.0 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$55,400,000 in tax-exempt bond allocation on a carryforward ba

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 | 0 |
| Community Revitalization Area | 5 | 5 | 0 |
| Site Amenities | 10 | 10 | 5 |
| Service Amenities | 10 | 10 | 0 |
| New Construction or Substantial Renovation | 10 | 10 | 10 |
| Sustainable Building Methods | 10 | 10 | 3 |
| 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 | 68 |