

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**April 14, 2020**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Isaac Clark III*

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<b>Applicant:</b>	<b>California Housing Finance Agency (CalHFA)</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b>	\$48,000,000
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<b>Project Information:</b>	<b>Name:</b>	<b>The Courtyards at Kimball</b>
	<b>Project Address:</b>	1105 National City Blvd.
	<b>Project City, County, Zip Code:</b>	National City, San Diego, 91950

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<b>Project Sponsor Information:</b>	<b>Name:</b>	Riverside Charitable Corporation, a California Nonprofit Public Benefit
	<b>Principals:</b>	Caleb Roope, Manager, TPC Holdings VII, LLC Ken Robertson, President, Riverside Charitable Corporation
	<b>Property Management Company:</b>	ConAm Management Corporation

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b>	Orrick, Herrington & Sutcliffe LLP
	<b>Private Placement Purchaser:</b>	Citibank, N.A.
	<b>Cash Flow Permanent Bond:</b>	Not Applicable
	<b>Public Sale:</b>	Not Applicable
	<b>Underwriter:</b>	Not Applicable
	<b>Credit Enhancement Provider:</b>	Not Applicable
	<b>Rating:</b>	Not Applicable
	<b>TEFRA Noticing Date:</b>	January 2, 2020
	<b>TEFRA Adoption Date:</b>	January 22, 2020

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b>	Mixed Income
	<b>Total Number of Units:</b>	131
	<b>Manager's Units:</b>	1 Unrestricted
	<b>Type:</b>	New Construction
	<b>Population Served:</b>	Family

The Courtyards at Kimball Apartments is a new construction project located in National City on a 1.33-acre site. The project consists of 130 restricted rental units, and 1 market rate unrestricted manager unit. The project will have 24 two-bedroom units, 74 three-bedroom units and 33 four-bedroom units. The building will be a five story construction. All major shopping, schools, and recreational amenities are located within a short distance. Access to groceries, pharmacy and shopping is convenient and within reasonable walking distance. Common amenities will include a laundry, a computer and exercise rooms, also a community center with a kitchen, meeting areas, and bike storage. Each unit will have a refrigerator, exhaust fans, garbage disposals, dishwasher and range and oven. There will be 88 parking spaces on a covered, secured parking area for residents and guests. The parking area will have controlled access entry locations at both the 11th and 12th street frontages. The community will be developed in one phase and is expected to begin September 2020 and be completed in September 2022.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
50% (65 units) restricted to 50% or less of area median income households.  
50% (65 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 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:**

<b>Estimated Total Development Cost:</b>	\$ 82,605,086	
<b>Estimated Hard Costs per Unit:</b>	\$ 369,980	(\$48,467,320 /131 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 630,573	(\$82,605,086 /131 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 366,412	(\$48,000,000 /131 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 369,231	(\$48,000,000 /130 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Citibank, N.A. - T.E. Bonds (Series A)	\$ 38,000,000	\$ 24,500,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Bonneville - T.E. Bonds (Series B)	\$ 10,000,000	\$ 0
0	\$ 0	\$ 6,500,000
LIH Tax Credit Equity	\$ 0	\$ 36,405,086
Pacific West Communities, Inc. - DDF	\$ 8,000,000	\$ 5,200,000
National City Pacific Assoc - Def. Costs	\$ 943,645	\$ 0
Boston Capital - LIHTC Equity	\$ 3,661,441	\$ 0
0	\$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
Citibank, N.A.-Taxable Bonds (Series A)	\$ 22,000,000	\$ 10,000,000
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Total Sources	\$ 82,605,086	\$ 82,605,086

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 4,550,000
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 55,935,388
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 750,000
Survey and Engineering	\$ 240,000
Construction Interest and Fees	\$ 5,784,300
Permanent Financing	\$ 480,000
Legal Fees	\$ 100,000
Reserves	\$ 943,645
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 2,800,000
Local Development Impact Fees	\$ 1,630,789
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,380,964
Developer Costs	\$ 8,000,000
Total Uses	\$ 82,605,086

**Analyst Comments:**

One of the main cost drivers on this project is the hillside condition of the site. The project will require significant excavation and retaining walls to support the parking areas and foundation. The podium parking further adds to the overall costs.

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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:**

85 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$48,000,000 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	15
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
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	0.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	0.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>85.00</b>