

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 16, 2020**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by: Isaac Clark III*

---

<b>Applicant:</b>	<b>California Statewide Communities Development Authority</b>
-------------------	---------------------------------------------------------------

---

<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b>	<b>\$31,500,000</b>
-------------------------------------	--------------------	---------------------

---

<b>Project Information:</b>	<b>Name:</b>	<b>Park Crest Apartments</b>
	<b>Project Address:</b>	4531 Logan Avenue
	<b>Project City, County, Zip Code:</b>	San Diego, San Diego, 92113

---

<b>Project Sponsor Information:</b>	<b>Name:</b>	Fairfield Park Crest LP (FRH Park Crest LLC / RCC MGP LLC)
	<b>Principals:</b>	FRH Park Crest LLC / RCC MGP LLC
	<b>Property Management Company:</b>	FF Properties LP

---

<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>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b>	General
	<b>Total Number of Units:</b>	140
	<b>Manager's Units:</b>	1 Unrestricted
	<b>Type:</b>	Acquisition and Rehabilitation
	<b>Population Served:</b>	Family

---

Park Crest Apartments is an existing project located in San Diego on a 4.12-acre site. The entire project consists of 139 restricted rental units, and 1 unrestricted manager unit. The entire project has 104 two-bedroom units and 36 three-bedroom units. The renovations will include plumbing re-piping, lighting fixtures, and major electrical upgrades. Units will include upgraded dishwashers, range hoods, refrigerators, garbage disposals, cabinets, countertops, flooring, blinds, nickel trim throughout. Additionally, upgrades to the computer room and clubhouse. The exterior rehabilitation will include: grading and drainage, security gates, accessibility upgrades, improved landscaping, monument signage, new windows and frames, new roofs, exterior paint, the removal and replacement of dry rotted wood, the addition of gas line shut off valves to improve safety, water shut off valves and back flow preventers, and stucco repair. The rehabilitation is expected to begin January 1, 2021 and end June 30, 2022.

### Description of Public Benefits:

**Percent of Restricted Rental Units in the Project:** 100%  
100% (139 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

### Term of Restrictions:

**Income and Rent Restrictions:** 55 years

### Details of Project Financing:

<b>Estimated Total Development Cost:</b>	\$	56,929,324	
<b>Estimated Hard Costs per Unit:</b>	\$	63,000	(\$8,820,000 /140 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$	406,638	(\$56,929,324 /140 units including mgr. unit)
<b>Allocation per Unit:</b>	\$	225,000	(\$31,500,000 /140 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$	226,619	(\$31,500,000 /139 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 31,500,000	\$ 26,050,000
Taxable Bond Proceeds	\$ 11,346,334	\$ 6,025,000
LIH Tax Credit Equity	\$ 2,863,105	\$ 14,224,439
Deferred Developer Fee	\$ 6,544,885	\$ 6,544,885
CalSTRS Taxable Debt	\$ 4,675,000	\$ 0
Owner Equity	\$ 0	\$ 4,085,000
<b>Total Sources</b>	<b>\$ 56,929,324</b>	<b>\$ 56,929,324</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 34,250,000
Rehabilitation	\$ 10,143,000
Relocation	\$ 420,000
Architectural Fees	\$ 255,000
Survey and Engineering	\$ 15,000
Construction Interest and Fees	\$ 1,807,766
Permanent Financing	\$ 631,656
Legal Fees	\$ 550,000
Reserves	\$ 942,581
Appraisal	\$ 5,000
Hard Cost Contingency	\$ 882,000
Other Project Costs	\$ 482,436
Developer Costs	\$ 6,544,885
<b>Total Uses</b>	<b>\$ 56,929,324</b>

---

**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:**

140 out of 145 [See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approves \$31,500,000 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>140</b>