

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**July 17, 2019**

Campus Oaks Apartments Phase II, located at 350 Roseville Parkway in Roseville, requested and is being recommended for a reservation of \$214,014 in annual federal tax credits to finance the new construction of 45 units of housing serving tenants with rents affordable to households earning 40-50% of area median income (AMI). The project will be developed by Alan Ives Construction LLC and will be located in Senate District 1 and Assembly District 6.

**Project Number** CA-19-502

**Project Name** Campus Oaks Apartments Phase 2  
 Site Address: 350 Roseville Parkway  
 Roseville, CA 95747 County: Placer  
 Census Tract: 210.43

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$214,014	\$0
Recommended:	\$214,014	\$0

**Applicant Information**

Applicant: Campus Oaks Apartments 2 LP  
 Contact: Scott Canel  
 Address: 1949 St. Johns Avenue, Suite 200  
 Highland Park, IL 60035  
 Phone: 312-580-0085  
 Email: scanel@sicanel.com

General Partner(s) or Principal Owner(s): Campus Oaks Admin GP LLC  
 CERC of Wisconsin Holdings 2 LLC

General Partner Type: For Profit  
 Parent Company: Community Economic Redevelopment Corporation  
 of Wisconsin

Developer: Alan Ives Construction LLC  
 Investor/Consultant: Campus Oaks Apartments 1, LLC  
 Management Agent: Ten South Management, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 14  
 Total # of Units: 210  
 No. / % of Low Income Units: 45 21.53%  
 Federal Set-Aside Elected: 20%/50%  
 Federal Subsidy: Tax-Exempt

**Bond Information**

Issuer: CSCDA  
 Expected Date of Issuance: September 1, 2019

**Information**

Housing Type: Non-Targeted  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Alex Ninh

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
50% AMI: 45	100%

**Unit Mix**

57 1-Bedroom Units  
 103 2-Bedroom Units  
50 3-Bedroom Units  
 210 Total Units

<b>Unit Type &amp; Number</b>	<b>2018 Rents Targeted % of Area Median Income</b>	<b>2018 Rents Actual % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
33 1 Bedroom	50%	50%	\$751
6 1 Bedroom	40%	40%	\$601
5 2 Bedrooms	50%	50%	\$901
1 2 Bedrooms	40%	40%	\$721
1 2 Bedrooms	Manager's Unit	Manager's Unit	\$2,095
18 1 Bedroom	Market Rate Unit	Market Rate Unit	\$1,850
35 2 Bedrooms	Market Rate Unit	Market Rate Unit	\$2,095
22 2 Bedrooms	Market Rate Unit	Market Rate Unit	\$2,345
39 2 Bedrooms	Market Rate Unit	Market Rate Unit	\$2,695
24 3 Bedrooms	Market Rate Unit	Market Rate Unit	\$2,745
26 3 Bedrooms	Market Rate Unit	Market Rate Unit	\$2,999

**Project Cost Summary at Application**

Land and Acquisition	\$4,083,333
Construction Costs	\$37,702,719
Relocation	\$0
Architectural/Engineering	\$991,580
Const. Interest, Perm. Financing	\$4,119,233
Legal Fees	\$190,000
Reserves	\$922,757
Other Costs	\$10,259,181
Developer Fee	\$160,000
Commercial Costs	\$0
<b>Total</b>	<b>\$58,428,803</b>

**Residential**

Construction Cost Per Square Foot:	\$153
Per Unit Cost:	\$278,232
True Cash Per Unit Cost*:	\$277,756

**Construction Financing**

Source	Amount
Sterling Bank	\$47,000,000
CSCDA - SCIP**	\$4,089,095
Alan Ives Construction LLC Series B	\$100,000
Campus Oaks Apts 1 LLC - Equity	\$7,239,708

**Permanent Financing**

Source	Amount
Walker Dunlop	\$47,000,000
CSCDA - SCIP	\$4,089,095
Alan Ives Construction LLC Series B	\$100,000
Campus Oaks Apts 1 LLC - Equity	\$5,099,568
Tax Credit Equity	\$2,140,140
<b>TOTAL</b>	<b>\$58,428,803</b>

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

\*\* Statewide Community Infrastructure Program

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$52,419,510
130% High Cost Adjustment:	No
Applicable Fraction:	21.53%
Qualified Basis:	\$6,485,268
Applicable Rate:	3.30%
Total Maximum Annual Federal Credit:	\$214,014
Approved Developer Fee (in Project Cost & Eligible Basis):	\$160,000
Investor/Consultant:	Campus Oaks Apartments 1, LLC
Federal Tax Credit Factor:	\$1.00000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Eligible Basis and Basis Limit**

Requested Unadjusted Eligible Basis:	\$52,419,510
Actual Eligible Basis:	\$52,419,510
Unadjusted Threshold Basis Limit:	\$70,789,214
Total Adjusted Threshold Basis Limit:	\$85,654,949

**Adjustments to Basis Limit**

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 21%

**Cost Analysis and Line Item Review**

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.30% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

**Significant Information / Additional Conditions:**

Pursuant to TCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) are required to complete training as prescribed by TCAC prior to a project’s placing in service. The required TCAC training for the general partner has been completed and the certification of completion has been received by TCAC.

The applicant or a related party intends to be the sole or primary tax credit investor (self-syndication).

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.