

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$6,500,000

Project Name: Oak Knoll Villas Apartments
Project Address: 12509 Oak Knoll Road
Project City, County, Zip Code: Poway, San Diego, 92064

Project Sponsor Information:
Name: Oak Knoll Housing Associates, L.P.
(Community Housing Works)
Principals: Sue Reynolds, Anne Wilson, Rosemary Stabrawa, Patti
Hamic-Christensen, Wendy Wang, Gabe Del Rio, KJ
Koljonen

Project Financing Information:
Bond Counsel: Jones Hall, a Professional Law Corporation, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank of California, N.A.
TEFRA Hearing: June 10, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 51, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
51% (26 units) restricted to 50% or less of area median income households; and
49% (25 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$13,091,844	
Estimated Hard Costs per Unit:	\$40,580 (\$2,069,591 / 51 units)
Estimated per Unit Cost:	\$256,703 (\$13,091,844 / 51 units)
Allocation per Unit:	\$127,451 (\$6,500,000 / 51 units)
Allocation per Restricted Rental Unit:	\$127,451 (\$6,500,000 / 51 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$6,500,000	\$2,355,000
Developer Equity	\$0	\$520,891
LIH Tax Credit Equity	\$295,000	\$3,110,147
Direct & Indirect Public Funds	\$5,357,151	\$7,105,495
Other	\$939,693	\$311
Total Sources	\$13,091,844	\$13,091,844

Uses of Funds:	
Acquisition Cost	\$7,367,500
On-Site & Off-Site Costs	\$55,000
Hard Construction Costs	\$2,014,591
Architect & Engineering Fees	\$131,000
Contractor Overhead & Profit	\$128,409
Developer Fee	\$1,521,202
Relocation	\$625,000
Cost of Issuance	\$187,272
Other Soft Costs	\$1,061,870
Total Uses	\$13,091,844

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: 86 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,500,000 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions: [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	10	10	8
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	86

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.