

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 19, 2016
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: \$5,822,332

The amount of allocation requested is supplemental to the \$37,500,000 of allocation the Project received on July 20, 2016.

Project Information:

Name: Campus Oaks Phase I Apartments (Supplemental)
Project Address: Southwest Corner of Crimson Ridge Dr. & HP Way
Project City, County, Zip Code: Roseville, Placer, 95747

Project Sponsor Information:

Name: Campus Oaks Apartments, LP
Principals: Scott I. Canel of Campus Oaks Apartment, LLC
Property Management Company: Ten South Management Company

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: U.S. Bank N.A. (construction)/ Walker & Dunlop (permanent)
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: May 13, 2016
TEFRA Adoption Date: June 1, 2016

Description of Proposed Project:

State Ceiling Pool: Mixed Income
Total Number of Units: 184, plus 1 manager unit
Type: New Construction
Type of Units: Family

Campus Oaks Phase I Apartments is located on 8.91 acres of land on the southwest corner of HP Way and Crimson Ridge Drive in Roseville, California. The parcel is located on flat land and is a part of the 234.53 acre plan area for the Hewlett Packard Roseville Campus Oaks Master Plan. The Master Plan includes up to 396 apartment units (185 apartment units will be constructed in Phase 1 of Campus Oaks Apartments, and 210 apartment units will be constructed in Phase 2 of Campus Oaks Apartments). The apartment project will feature two types of buildings. It will contain 3-story walk-up apartments with balconies surrounding a courtyard and five buildings comprised of 25 units including 17 garage spaces. Phase 1 will also consist of 60 two and three bedroom townhouse units with two car attached garages located in buildings of six or ten attached units. Phase 1 will consist of 42 very low income units scattered throughout the project within the five U-shaped courtyard apartments

together with 143 market rate units. All of the units will have access to the community clubhouse and fitness center, which will include among other things, a lap pool, a resort pool, a spa, a cardio fitness center, a cross training fitness center/weight room a yoga studio with live online classes paid for by ownership, a boxing room, and bocce ball courts. Campus Oaks Phase I Apartments will also have easy access to a highly developed trail system that will run through the HP Campus Oaks Master Plan. The expected start date for construction of the infrastructure for Phase 1 of the Campus Oaks Apartments is October 2016.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 23%
23% (42 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 43,322,332	
Estimated Hard Costs per Unit:	\$ 134,738	(\$24,791,746 /184 units)
Estimated per Unit Cost:	\$ 234,175	(\$43,322,332 /185 units including mgr. units)
Allocation per Unit:	\$ 31,643	(\$5,822,332 /184 units)
Allocation per Restricted Rental Unit:	\$ 138,627	(\$5,822,332 /42 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 39,700,000	\$ 39,700,000
Tax-Exempt Bond Proceeds Trnache B	\$ 3,622,332	\$ 3,622,332
LIH Tax Credit Equity	\$ 2,007,000	\$ 2,007,000
Total Sources	\$ 45,329,332	\$ 45,329,332

Uses of Funds:	
Land Cost/Acquisition	\$ 4,810,661
New Construction	\$ 29,748,714
Architectual Fees	\$ 375,758
Survey and EGINEERING	\$ 312,000
Construction Interest and Fees	\$ 1,591,589
Contingency Reserve	\$ 1,262,329
Permanent Financing	\$ 186,250
Legal Fees	\$ 150,000
Local Development Impact Fees	\$ 6,053,965
Permit Processing Fees	\$ 179,588
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 498,478
Developer Costs	\$ 160,000
Total Uses	\$ 45,329,332

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.

Recommendation:

Staff recommends that the Committee approves \$5,822,332 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	
Exceeding Minimum Income Restrictions:	35	15	
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	
Gross Rents	5	5	
Large Family Units	5	5	
Leveraging	10	10	
Community Revitalization Area	5	5	
Site Amenities	10	10	
Service Amenities	10	10	
New Construction or Substantial Renovation	10	10	
Sustainable Building Methods	10	10	
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	
Negative Points (No Maximum)	-10	-10	
Total Points	140	120	0

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.