

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: \$47,500,000

Project Information:

Name: Campus Oaks Phase II Apartments
Project Address: SW Corner of Painted Desert Drive & HP Way
Project City, County, Zip Code: Roseville, Placer, 95747

Project Sponsor Information:

Name: Campus Oaks Phase II, LP (Scott I. Canel)
Principals: Campus Oaks Apartments, LLC (Scott I. Canel)
Property Management Company: Ten South Management Company, LLC

Project Financing Information:

Bond Counsel: Kutak Rock LLP
U.S. Bank, N.A., (Construction); Walker Dunlop,
Private Placement Purchaser: (Permanent) and Campus Oaks Apartments LLC
(Construction and Permanent)
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: August 24, 2016
TEFRA Adoption Date: September 7, 2016

Description of Proposed Project:

State Ceiling Pool: Mixed Income
Total Number of Units: 209, plus 1 manager unit
Type: New Construction
Type of Units: Family

Campus Oaks Apartments Phase 2 is located on 8.70 acres of land on the southwest corner of HP Way and Painted Desert Drive in Roseville, California. 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 Master Plan also calls for the construction of 242 single family homes on 46.76 acres designated as low density residential, and an additional 310 single family homes and townhomes that will be constructed on 35.6 acres of medium density residential. The apartment project will feature two types of buildings. It will contain U-shaped 3-story walk-up apartments with balconies surrounding a courtyard contained within four buildings comprised of 29 units each and including 15 garage spaces in each building. Phase 2 will also consist of 94 two and three bedroom townhouse units with two car attached garages located in buildings of six,

eight or ten attached units. Phase 2 will consist of 45 very low income units scattered throughout the project within the four U-shaped courtyard apartments together with 165 market rate units. All of the units will have access to the community clubhouse and fitness center which will include, among other things, a resort pool with dedicated lap swimming area, 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. The expected start date for construction of the infrastructure for Phase 2 of the Campus Oaks Apartments is October 2017. The projected start date for the construction of the apartments is December 2017. The project delivery date of the first apartments is July 2018 with all of the apartments and amenities of Phase 2 being completed by April 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 22%
22% (45 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The proposed project will/will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 50,283,078	
Estimated Hard Costs per Unit:	\$ 131,849	(\$27,556,524 /209 units)
Estimated per Unit Cost:	\$ 239,443	(\$50,283,078 /210 units including mgr. units)
Allocation per Unit:	\$ 227,273	(\$47,500,000 /209 units)
Allocation per Restricted Rental Unit:	\$ 1,055,556	(\$47,500,000 /45 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 47,000,000	\$ 47,000,000
Tax-Exempt Bond Proceeds Tranche B	\$ 500,000	\$ 500,000
LIH Tax Credit Equity	\$ 2,051,530	\$ 2,051,530
Total Sources	\$ 49,551,530	\$ 49,551,530

Uses of Funds:	
Land Cost/Acquisition	\$ 4,689,339
New Construction	\$ 33,069,898
Contractor Overhead	\$ 275,566
Architectural Fees	\$ 477,617
Survey and Engineering	\$ 347,500
Construction Interest and Fees	\$ 1,779,354
Permanent Financing	\$ 190,000
Legal Fees	\$ 100,000
Contingency Cost	\$ 1,377,833
Local Development Impact Fees	\$ 6,828,016
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 276,407
Developer Costs	\$ 140,000
Total Uses	\$ 49,551,530

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:

28.5 out of 120

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$47,500,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	6
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	2.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	28.5

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.

