

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$10,533,015

Project Name: Springbrook Grove Apartments
Project Address: 435 Alturas Road
Project City, County, Zip Code: Fallbrook, San Diego, 92028

Project Sponsor Information:
Name: Springbrook Grove, L.P. (SADI, LLC, Advanced Development and Investment, Inc. and Squier Properties, LLC)
Principals: Salim Karimi, Mansukh Sanathara, Ajit Mithaiwala, Gary Squier and Anita Landecker

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Washington Mutual Bank
TEFRA Hearing: February 12, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 43, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (43 units) restricted to 50% or less of area median income households; and

Unit Mix: 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$18,678,850
Estimated Hard Costs per Unit:	\$ 221,584 (\$9,528,112/43 units)
Estimated per Unit Cost:	\$ 434,392 (\$18,678,850/43 units)
Allocation per Unit:	\$ 244,954 (\$10,533,015/43 units)
Allocation per Restricted Rental Unit:	\$ 244,954 (\$10,533,015/43 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$10,533,015	\$ 2,039,000
Deferred Cost	\$ 662,453	\$ 557,677
Deferred Developer Fee	\$ 2,082,028	\$ 2,082,028
LIH Tax Credit Equity	\$ 2,066,988	\$ 6,630,805
Direct & Indirect Public Funds	<u>\$ 3,334,366</u>	<u>\$ 7,369,340</u>
Total Sources	\$18,678,850	\$18,678,850

Uses of Funds:	
Acquisition	\$ 1,746,057
Relocation	\$ 356,366
New Construction	\$10,968,112
Architectural	\$ 350,000
Survey & Engineering	\$ 100,000
Contingency Costs	\$ 650,000
Construction Period Expenses	\$ 1,059,522
Permanent Financing Expenses	\$ 192,447
Legal Fees	\$ 169,401
Capitalized Reserves	\$ 77,535
Reports & Studies	\$ 20,900
Developer Costs	\$ 2,082,028
Other	<u>\$ 906,482</u>
Total Uses	\$18,678,850

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: 85 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,533,015 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]	10
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	85

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.