

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$4,800,000
PROJECT ORIGINALLY RECEIVED ALLOCATION ON July 16, 2008. APPLICANT REQUESTED AWARD BE DEFERRED TO DECEMBER 3 ALLOCATION MEETING.

Project Name: Northport Apartments
Project Address: 14343 Rodeo Drive
Project City, County, Zip Code: Victorville, San Bernardino, 92395

The proposed Project is located in a Community Revitalization area, more specifically in the Victor Valley Redevelopment Project Area

Project Sponsor Information:
Name: Northport Victorville, L.P. (Avalon Communities, LLC and Avalon Residential, LLC)
Principals: Leo Puig for Avalon Communities and Alejandro Lara for President of Avalon Residential

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Corporation
Underwriter: RBC Capital Markets
Credit Enhancement Provider: MMA Financial, Inc./Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing: June 10, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 59, 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%
30% (18 units) restricted to 50% or less of area median income households; and
70% (41 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	8,830,711	
Estimated Hard Costs per Unit:	21,137 (\$1,247,083 / 59 units)
Estimated per Unit Cost:	149,673 (\$8,830,711 / 59 units)
Allocation per Unit:	81,356 (\$4,800,000 / 59 units)
Allocation per Restricted Rental Unit:	81,356 (\$4,800,000 / 59 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,800,000	\$4,213,350
Developer Equity	\$631,578	\$532,079
LIH Tax Credit Equity	\$1,599,133	\$2,285,282
Direct & Indirect Public Funds	<u>\$1,800,000</u>	<u>\$1,800,000</u>
Total Sources	\$8,830,711	\$8,830,711

Uses of Funds:	
Acquisition Cost	\$5,384,000
On-Site & Off-Site Costs	\$193,500
Hard Construction Costs	\$1,053,619
Architect & Engineering Fees	\$45,000
Contractor Overhead & Profit	\$99,769
Developer Fee	\$974,117
Relocation	\$175,000
Cost of Issuance	\$98,680
Capitalized Interest	\$60,852
Other Soft Costs	<u>\$746,174</u>
Total Uses	\$8,830,711

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: 83 out of 138
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,800,000 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	0
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	83

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.