

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 28, 2009
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: \$2,808,171

Project Information:

Name: Orange Villas Apartments
Project Address: 440-450 & 225 Orange Avenue
Project City, County, Zip Code: Coronado, San Diego, 92118

The proposed Project is located in a Community Revitalization area, more specifically in the Community Development Project Area.

Project Sponsor Information:

Name: San Diego Interfaith Housing Foundation (Coronado Interfaith)
Principals: Matthew B. Jumper

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: September 16, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 18 units
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
67% (12 units) restricted to 50% or less of area median income households.
33% (6 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

Term of Restrictions:

Income and Rent Restrictions: 55 years

| | | | |
|---|----|-----------|------------------------------------|
| Estimated Total Development Cost: | \$ | 5,782,608 | |
| Estimated Hard Costs per Unit: | \$ | 164,185 | (\$2,955,331 /18 units) |
| Estimated per Unit Cost: | \$ | 321,256 | (\$5,782,608 /18 units) |
| Allocation per Unit: | \$ | 156,010 | (\$2,808,171 /18 units) |
| Allocation per Restricted Rental Unit: | \$ | 156,010 | (\$2,808,171 /18 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|--------------------------------|---------------------|---------------------|
| Tax-Exempt Bond Proceeds | \$ 2,808,171 | \$ 729,088 |
| Deferred Developer Fee | \$ | \$ 220,858 |
| LIH Tax Credit Equity | \$ 200,000 | \$ 1,962,662 |
| Direct & Indirect Public Funds | \$ 2,583,000 | \$ 2,870,000 |
| Total Sources | \$ 5,591,171 | \$ 5,782,608 |

| Uses of Funds: | |
|------------------------------|---------------------|
| Acquisition Costs | \$ 20,000 |
| On & Off Site Costs | \$ 690,000 |
| Hard Construction Costs | \$ 2,265,331 |
| Architect & Engineering Fees | \$ 522,000 |
| Contractor Overhead & Profit | \$ 416,267 |
| Developer Fee | \$ 790,000 |
| Relocation | \$ 30,000 |
| Cost of Issuance | \$ 122,500 |
| Capitalized Interest | \$ 123,750 |
| Other Soft Costs | \$ 802,760 |
| Total Uses | \$ 5,782,608 |

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: 104.8 out of 138
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,808,171 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: | 35 | 15 | 35 |
| Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10] | [10] | 10 |
| Gross Rents | 5 | 5 | 5 |
| Large Family Units | 5 | 5 | 0 |
| Leveraging | 10 | 10 | 10 |
| Exceeding Minimum Term Restrictions | 10 | 10 | 10 |
| Community Revitalization Area | 15 | 15 | 15 |
| Site Amenities | 10 | 10 | 10 |
| Service Amenities | 10 | 10 | 3.4 |
| New Construction | 10 | 10 | 0 |
| Sustainable Building Methods | 8 | 8 | 6.4 |
| Negative Points | -10 | -10 | 0 |
| Total Points | 128 | 108 | 104.8 |

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.