

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2012
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$22,000,000

Project Information:
Name: Ivy at College Park Apartments
Project Address: TBD (Lot 1 of Tract No. 16838-1)
Project City, County, Zip Code: Chino, San Bernardino, 91710

Project Sponsor Information:
Name: Ivy at College Park, L.P. (BRIDGE SoCal, LLC and BRIDGE Housing Ventures, Inc.)
Principals: Cynthia Parker, Susan M. Johnson, D. Kemp Valentine, Rebecca Hlebasko, Kimberly McKay for both entities
Property Management Company: BRIDGE Property Management Company

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Private Placement Purchaser: JP Morgan Chase Bank, N.A.
TEFRA Hearing Date: August 7, 2012

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 133, plus 2 manager units
Type: New Construction
Type of Units: Family

Ivy at College Park Apartments is a development of the larger College Park, a 710-acre Master Planned Community currently underway in the City of Chino. The Project will contain 135 units in 10 two and three story garden style buildings. The property will include a separate building with a leasing office, computer lab and community space with a kitchen and media area. The site also features a swimming pool and tot-lot as well as a gas barbeque and an outdoor fireplace. Unit amenities include central air, dishwasher, patio or balcony with storage, sliders and upgarded plank vinyl flooring.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (133 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

No services were committed to in the application.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	33,991,603	
Estimated Hard Costs per Unit:	\$	136,920	(\$18,210,360 /133 units)
Estimated per Unit Cost:	\$	255,576	(\$33,991,603 /133 units)
Allocation per Unit:	\$	165,414	(\$22,000,000 /133 units)
Allocation per Restricted Rental Unit:	\$	165,414	(\$22,000,000 /133 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 22,000,000	\$ 3,194,000
Developer Equity	\$ 0	\$ 1,100,000
LIH Tax Credit Equity	\$ 1,600,000	\$ 12,720,313
Direct & Indirect Public Funds	\$ 8,975,000	\$ 16,977,290
Total Sources	\$ 32,575,000	\$ 33,991,603

Uses of Funds:	
Acquisition/Land Purchase	\$ 3,800,000
On & Off Site Costs	\$ 2,085,650
Hard Construction Costs	\$ 16,124,710
Architect & Engineering Fees	\$ 720,000
Contractor Overhead & Profit	\$ 1,493,904
Developer Fee	\$ 2,300,000
Cost of Issuance	\$ 490,616
Capitalized Interest	\$ 724,507
Other Soft Costs (Marketing, etc.)	\$ 6,252,216
Total Uses	\$ 33,991,603

Description of Financial Structure and Bond Issuance:

The tax-exempt bond allocation will be privately placed with JP Morgan Chase Bank, N.A. The construction period bonds will have a floating rate during construction, based on one-month LIBOR times the Bank's tax exempt factor (currently 70.88%) plus 1.34% adjusted monthly on a 360 day basis. The all-in rate during construction used for underwriting is 2.75%. The permanent loan will be a fixed rate. The applicable interest rate will be calculated as the 10 year interest rate swap times the Banks tax exempt factor of 70.88% plus 3.24%. The loan will have a 20 year term and amortization period.

Analyst Comments:

Not Applicable

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: 88 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$22,000,000 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:	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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	10	10	8
Negative Points	-10	-10	0
Total Points	130	100	88

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.