

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
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 \$15,000,000

Project Name: **Imperial Park Apartments**
Project Address: 312 and 430 West Imperial Highway
Project City, County, Zip Code: Brea, Orange, 92821

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

Project Sponsor Information:

Name: Brea Imperial Park, L.P. (Brea Imperial Park-MGP, LLC [Affordable Housing Access, Inc.] and Brea Imperial Park, CO-GP LLC [KDF Communities])
Principals: Jonathan B. Webb and William W. Hirsch for Brea Imperial Park – MGP, LLC; Mark E. Hyatt, Fruchbom Investment Trust, Fruchbom Trust, Chris M. Burns, Yellow Branch Investments, Inc., California Venture Management Services, Inc., JC Wartell Nongrantor Trust, RT Harper Nongrantor Trust, Wartell Children Nongrantor Trust and RK Leach Investments, Inc. for Brea Imperial Park, CO-GP LLC.

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Private Placement Purchaser: Citigroup Global Markets, Inc.
TEFRA Hearing: August 21, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 91, 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%
12% (11 units) restricted to 50% or less of area median income households; and
88% (80 units) restricted to 60% or less of area median income households.
Unit Mix: 1-, and 2-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$20,674,310
Estimated Hard Costs per Unit:	\$ 17,938 (\$1,632,362/91 units)
Estimated per Unit Cost:	\$ 227,190 (\$20,674,310/91 units)
Allocation per Unit:	\$ 164,835 (\$15,000,000/91 units)
Allocation per Restricted Rental Unit:	\$ 164,835 (\$15,000,000/91 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$15,000,000	\$ 9,538,000
Deferred Developer Fee	\$ 0	\$ 1,900,218
LIH Tax Credit Equity	\$ 3,328,291	\$ 6,395,891
Direct & Indirect Public Funds	<u>\$ 0</u>	<u>\$ 2,840,201</u>
Total Sources	\$18,328,291	\$20,674,310

Uses of Funds:	
Acquisition Cost	\$14,622,500
On-Site & Off-Site Costs	\$ 0
Hard Construction Costs	\$ 1,632,362
Architect & Engineering Fees	\$ 15,000
Contractor Overhead & Profit	\$ 139,917
Developer Fee	\$ 2,100,218
Cost of Issuance	\$ 607,449
Capitalized Interest	\$ 1,033,625
Other Soft Costs	<u>\$ 523,239</u>
Total Uses	\$20,674,310

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: 65.4 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,000,000 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	NA
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	26
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]	6.4
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	0
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	65.4

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.