

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$3,600,000

Project Name: Patios de Castillo Apartments & River Rose Apartments
Project Address: 200 4th Street, 500 4th Street and 510 4th Street (Patios)
511 B Street, 513 B Street and 219 6th Street (River Rose)
Project City, County, Zip Code: West Sacramento, Yolo, 95691

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

Project Sponsor Information:

Name: Patios/River Rose Associates, a California Limited Partnership (West Sacramento Housing Development Corporation)
Principals: Charles R. Learned, Paul Kolarik, Joseph Goeden and Terri Davis

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Washington Mutual Bank, FA
TEFRA Hearing: December 12, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 44, 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%
50% (22 units) restricted to 50% or less of area median income households; and
50% (22 units) restricted to 60% or less of area median income households.
Unit Mix: Studio and 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$6,634,354
Estimated Hard Costs per Unit:	\$ 38,695 (\$1,702,560/44 units)
Estimated per Unit Cost:	\$ 150,781 (\$6,634,354/44 units)
Allocation per Unit:	\$ 81,818 (\$3,600,000/44 units)
Allocation per Restricted Rental Unit:	\$ 81,818 (\$3,600,000/44 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$3,600,000	\$1,200,000
Deferred Developer Fee	\$ 412,571	\$ 0
LIH Tax Credit Equity	\$ 100,000	\$1,635,354
Direct & Indirect Public Funds	\$1,899,000	\$1,899,000
WHSDC ¹ Residual Receipts Loan	<u>\$ 622,783</u>	<u>\$1,900,000</u>
Total Sources	\$6,634,354	\$6,634,354

Uses of Funds:	
Acquisition Cost	\$3,510,000
On-Site & Off-Site Costs	\$ 116,910
Hard Construction Costs	\$1,585,650
Architect & Engineering Fees	\$ 65,000
Contractor Overhead & Profit	\$ 102,080
Developer Fee	\$ 412,571
Relocation	\$ 20,000
Cost of Issuance	\$ 35,000
Capitalized Interest	\$ 160,000
Other Soft Costs	<u>\$ 627,143</u>
Total Uses	\$6,634,354

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: 60.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$3,600,000 in tax-exempt bond allocation.

¹ West Sacramento Housing Development Corporation – The developer of the proposed Project.

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
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	5
Site Amenities	10	10	2.5
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	60.5

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.