

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
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:** \$4,442,935

Project Information:

Name: Waterford Gardens Apartments
Project Address: 12313 Dorsey Street
Project City, County, Zip Code: Waterford, Stanislaus, 95386

Project Sponsor Information:

Name: Waterford Court, L.P. (Doresey Gardens, LLC)
Principals: Elva L. Grant, Carmella Badalyan, Alice Castillo, Joe Rios and
Cornelius Taylor

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: N/A
Credit Enhancement Provider: N/A
Private Placement Purchaser: Washington Mutual Bank, FA
TEFRA Hearing: May 15, 2008

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 50, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
84% (42 units) restricted to 50% or less of area median income households.
16% (8 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:	\$8,646,855	
Estimated Hard Costs per Unit:	\$74,000	(\$3,700,000 / 50 units)
Estimated per Unit Cost:	\$172,937	(\$8,646,855 / 50 units)
Allocation per Unit:	\$88,859	(\$4,442,935 / 50 units)
Allocation per Restricted Rental Unit:	\$88,859	(\$4,442,935 / 50 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,442,935	\$ 1,200,000
Developer Equity	\$ 272,655	\$ 272,655
LIH Tax Credit Equity	\$ 0	\$ 2,304,772
Direct & Indirect Public Funds	\$ 3,931,266	\$ 4,869,428
Total Sources	\$ 8,646,856	\$ 8,646,855

Uses of Funds:	
Acquisition Costs	\$ 1,456,928
Hard Construction Costs	\$ 3,700,000
Architect & Engineering Fees	\$ 562,500
Contractor Overhead & Profit	\$ 296,000
Developer Fee	\$ 951,634
Cost of Issuance	\$ 142,350
Capitalized Interest	\$ 408,000
Other Soft Costs	\$ 1,129,443
Total Uses	\$ 8,646,855

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: 92 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,442,935 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
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	4
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	128	108	92

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.