

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: Fontana Housing Authority

Allocation Amount Requested:
Tax-exempt: \$8,000,000

Project Information:
Name: Ceres Way Apartments
Project Address: Northeast Corner of Ceres Avenue and Oleander Avenue
Project City, County, Zip Code: Fontana, San Bernardino, 92335

Project Sponsor Information:
Name: To Be Formed, L.P (Jamboree Housing Corporation Ceres Way, LLC)
Principals: Michael Massie

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: U.S. Bank National Association
TEFRA Hearing Date: October 14, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 60, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (60 units) restricted to 50% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	14,074,510	
Estimated Hard Costs per Unit:	\$	122,311	(\$7,338,662 /60 units)
Estimated per Unit Cost:	\$	234,575	(\$14,074,510 /60 units)
Allocation per Unit:	\$	133,333	(\$8,000,000 /60 units)
Allocation per Restricted Rental Unit:	\$	133,333	(\$8,000,000 /60 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,000,000	\$ 1,901,510
LIH Tax Credit Equity	\$ 1,353,181	\$ 3,953,000
Direct & Indirect Public Funds	\$ 4,721,329	\$ 8,220,000
Total Sources	\$ 14,074,510	\$ 14,074,510

Uses of Funds:	
Acquisition Costs	\$ 142,506
New Construction Costs	\$ 8,285,748
Architectural	\$ 453,860
Survey & Engineering	\$ 166,140
Contingency Costs	\$ 889,405
Construction Period Expenses	\$ 703,670
Permanent Financing Expenses	\$ 80,000
Legal Fees	\$ 155,000
Capitalized Reserves	\$ 100,000
Reports & Studies	\$ 90,000
Other (Marketing, etc)	\$ 1,508,181
Developer Costs	\$ 1,500,000
Total Uses	\$ 14,074,510

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: 85 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,000,000 in tax exempt bond allocation on a carryforward basis.

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	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	0
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	5
Negative Points	-10	-10	0
Total Points	118	98	85

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.