

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 15, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$14,975,000

Project Information:
Name: Belagio Apartments
Project Address: NE Corner of E. Atherton Dr. & Spreckles Rd.
Project City, County, Zip Code: Manteca, San Joaquin, 95337

Project Sponsor Information:
Name: Manteca Atherton Associates, L.P. (Manteca Atherton Associates, LLC, Community Revitalization & Development Corporation, Cyrus Youssefi and Egis Group, Inc.)
Principals: Cyrus Youssefi and Ali Youssefi for Manteca Atherton Associates, LLC, John Wilson, John Ryan, David Rutledge, and Bert Meyer for Community Revitalization & Development Corporation, Cyrus Youssefi, individually, and John Cicerone for Egis Group, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A.
TEFRA Hearing Date: November 2, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 152, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
21% (32 units) restricted to 50% or less of area median income households.
79% (120 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	28,049,409	
Estimated Hard Costs per Unit:	\$	108,924	(\$16,556,470 /152 units)
Estimated per Unit Cost:	\$	184,536	(\$28,049,409 /152 units)
Allocation per Unit:	\$	98,520	(\$14,975,000 /152 units)
Allocation per Restricted Rental Unit:	\$	98,520	(\$14,975,000 /152 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,975,000	\$ 7,585,000
Deferred Developer Fee	\$ 2,000,000	\$ 288,579
LIH Tax Credit Equity	\$ 2,662,749	\$ 8,875,829
Direct & Indirect Public Funds	\$ 8,411,660	\$ 11,300,000
Total Sources	\$ 28,049,409	\$ 28,049,408

Uses of Funds:	
Land Purchase	\$ 1,500,000
On & Off Site Costs	\$ 500,000
Hard Construction Costs	\$ 16,056,470
Architect & Engineering Fees	\$ 800,000
Contractor Overhead & Profit	\$ 1,140,947
Developer Fee	\$ 2,000,000
Cost of Issuance	\$ 40,000
Capitalized Interest	\$ 700,000
Other Soft Costs	\$ 5,311,992
Total Uses	\$ 28,049,409

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: 71.5 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,975,000 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	31
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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	71.5

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.