

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 16, 2011
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Crystal Alvarez

Applicant: Yucaipa Redevelopment Agency

Allocation Amount Requested:
Tax-exempt: \$6,500,000

Project Information:
Name: Yucaipa Senior Terrace Apartments
Project Address: 34955 Yucaipa Boulevard
Project City, County, Zip Code: Yucaipa , San Bernardino, 92399

Project Sponsor Information:
Name: 34967 Yucaipa Blvd., L.P. (Corporation for Better Housing)
Principals: Gwendy Silver Egnater and David Scalfani

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Private Placement Purchaser: Hunt Capital Partners, LLC
TEFRA Hearing Date: December 13, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 44, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

The proposed development will be situated on an approximate 1.36 acre site within the Yucaipa Uptown Business Specific Plan. The apartments will consist of (1) three-story corridor building with on grade parking. The community area will be approximately 1,500 square feet. Common amenities will include: elevator access to each floor, laundry facility, perimeter fencing, clubhouse, community room with common kitchen, computer room with high speed internet connection, barbeque and picnic area, 1/4 acre community garden and on-site management.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
59% (26 units) restricted to 50% or less of area median income households.
41% (18 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Of the 45 units planned for this development, 36 apartments will be one-bedroom units of approximately 528 square feet and 9 apartments will be two-bedroom units of approximately 752 square feet. The residents are within a half mile of Center Park, Asadero's Super Market and Scherer Senior Center.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	9,895,742	
Estimated Hard Costs per Unit:	\$	102,291	(\$4,500,796 /44 units)
Estimated per Unit Cost:	\$	224,903	(\$9,895,742 /44 units)
Allocation per Unit:	\$	147,727	(\$6,500,000 /44 units)
Allocation per Restricted Rental Unit:	\$	147,727	(\$6,500,000 /44 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,500,000	\$ 1,936,538
Developer Equity	\$ 0	\$ 479,827
LIH Tax Credit Equity	\$ 292,854	\$ 3,554,925
Direct & Indirect Public Funds	\$ 2,462,311	\$ 3,924,452
Total Sources	\$ 9,255,165	\$ 9,895,742

Uses of Funds:	
On & Off Site Costs	\$ 809,796
Hard Construction Costs	\$ 3,691,000
Architect & Engineering Fees	\$ 233,100
Contractor Overhead & Profit	\$ 360,096
Developer Fee	\$ 1,230,000
Relocation	\$ 240,800
Other Soft Costs (Marketing, etc.)	\$ 3,330,950
Total Uses	\$ 9,895,742

Description of Financial Structure and Bond Issuance:

Hunt Capital Partners, LLC will purchase the \$6.5M bond issuance through a private placement providing an (18) eighteen month construction loan and 35 thirty-five year amortized permanent loan with a fixed rate. Additional construction financing sources are a \$1,662,311 loan from the Yucaipa Redevelopment Agency and Tax Credit Equity investment from the Hunt Capital of \$292,854.

Analyst Comments:

Not Applicable.

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: 70.5 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,500,000 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	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]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	70.5

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.