

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$17,879,200

Project Name: **Lexington Green Apartments**
Project Address: 1415 East Lexington Avenue
Project City, County, Zip Code: El Cajon, San Diego, 92019

Project Sponsor Information:
Name: Steadfast Lexington Green, LP (Steadfast Residential Development II, LLC and Western Community Housing, Inc.)
Principals: Rodney Emery, R. Kyle Winning, Graham P. Espley-Jones

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citibank
TEFRA Hearing: February 13, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 142, plus 2 managers units
Type: Acquisition and Rehabilitation
Type of Units: Family, Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (15 units) restricted to 50% or less of area median income households; and
90% (127 units) restricted to 60% or less of area median income households.
Unit Mix: 1-, 2- and, 3-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$25,211,324
Estimated Hard Costs per Unit:	\$ 17,037 (\$2,419,200/142 units)
Estimated per Unit Cost:	\$ 177,545 (\$25,211,324/142 units)
Allocation per Unit:	\$ 125,910 (\$17,879,200/142 units)
Allocation per Restricted Rental Unit:	\$ 125,910 (\$17,879,200/142 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$17,879,200	\$14,829,136
Deferred Developer Fee	\$ 2,184,357	\$ 2,184,357
LIH Tax Credit Equity	\$ 3,459,353	\$ 7,132,686
Other	\$ 1,209,928	\$ 1,065,146
Direct & Indirect Public Funds	<u>\$ 0</u>	<u>\$ 0</u>
Total Sources	\$24,732,828	\$25,211,324

Uses of Funds:	
Acquisition Cost	\$17,800,000
Hard Construction Costs	\$ 2,419,200
Contractor Overhead & Profit	\$ 338,688
Developer Fee	\$ 2,500,000
Relocation	\$ 75,000
Cost of Issuance	\$ 419,959
Capitalized Interest	\$ 908,094
Other Soft Costs	<u>\$ 750,383</u>
Total Uses	\$25,211,324

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: 63 out of 128
[See Attachment #A]

Recommendation:

Staff recommends that the Committee approve \$17,879,200 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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	25
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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	5
Sustainable Building Methods	8	8	8
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	63

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.